

## OFFERING CIRCULAR



## RABOBANK STRUCTURED PRODUCTS

*Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(a coöperatie with limited liability established under the laws of the Netherlands  
with its statutory seat in Amsterdam, the Netherlands)*

### Leveraged Certificates, Warrants and Certificates Programme

Under the Leveraged Certificates, Warrants and Certificates Programme described in this Offering Circular (the “**Programme**”), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or the “**Issuer**”) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Leveraged Certificates, Warrants and Certificates (together the “**Securities**”).

The Securities issued under the Programme may be denominated in euro, which means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty of European Union (signed in Maastricht on 7 February 1992), or any other currency agreed between the Issuer and the relevant Dealer(s).

The Securities may be issued in uncertificated and dematerialised book-entry form and registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). No physical global or definitive certificates will be issued in respect of the Securities. The Securities are issued subject to and in accordance with the Terms and Conditions herein, and are further subject to the Netherlands Securities Giro Act (*Wet giraal effectenverkeer*) and the Terms and Conditions (Books I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the “**Regulations**”). The right to request delivery (*uitlevering*) of Securities is excluded. If Securities are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such series of Securities will, on issue, be constituted by a permanent global security (the “**Global Security**”), which will be deposited with the common depository for Euroclear and Clearstream, Luxembourg. No definitive certificates will be issued in respect of Securities constituted by a Global Security. Each issue of Leveraged Certificates will be issued on the terms set out herein which are relevant to such Leveraged Certificates under “*Terms and Conditions of the Leveraged Certificates*” on pages 36 to 87; each issue of Warrants will be issued on the terms set out herein which are relevant to such Warrants under “*Terms and Conditions of the Warrants*” on pages 101 to 166; and each issue of Certificates will be issued on the terms set out herein which are relevant to such Certificates under “*Terms and Conditions of the Certificates*” on pages 185 to 270 and, in each case, on such additional terms as will be set out in the relevant Final Terms.

**An investment in Securities issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors” on pages 11 to 29.**

This Offering Circular is a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “**Financial Supervision Act**”) and regulations thereunder (together, “**Dutch securities laws**”) and has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or “**AFM**”), in its capacity as competent authority under the Dutch securities laws, in accordance with the provisions of the Prospectus Directive and the Dutch securities laws on 27 October 2010. Application may be made for Securities issued under the Programme within 12 months of the date of this Offering Circular to be admitted for trading on NYSE Euronext in

Amsterdam (“**Euronext Amsterdam**”).

Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. References in this Programme to Securities being “**listed**” (and all related references) shall mean that such Securities have been admitted to trading on a regulated market. In addition, Securities may also be listed on another stock exchange and unlisted Securities may also be issued under the Programme. The relevant final terms to this Offering Circular (the “**Final Terms**”) in respect of the issue of any Securities will specify whether such Securities will be listed on Euronext Amsterdam (or any other stock exchange) or whether the Securities will not be listed. In relation to each separate issue of Securities, the price and amount of such Securities will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

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

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

The distribution of this Offering Circular and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Dealer(s) to inform themselves about and to observe any such restriction. The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any U.S. state securities laws, and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or the benefit of, U.S. Persons (as such term is defined in Regulation S of the Securities Act (“**Regulation S**”)) unless the Securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

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

Securities issued pursuant to this Programme may be rated or unrated. Where an issue of Securities is rated, its rating will not necessarily be the same as the rating applicable to senior securities issued under the Programme and will be specified in the relevant Final Terms. None of these ratings is a recommendation to buy, sell or hold securities and any of them may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice.

Unless the context otherwise requires, references in this Offering Circular to “**Rabobank Group**”, “**Rabobank**” or the “**Group**” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Nederland**”) and its members, subsidiaries and affiliates. Rabobank Nederland is a trading name of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Rabobank Structured Products is a defined name for the purposes of this Offering Circular and the Programme.

This Offering Circular supersedes and replaces the offering circular dated 24 September 2009 as supplemented by the supplemental offering circulars dated 23 October 2009 and 8 December 2009.

*Dealer*

**RABOBANK INTERNATIONAL**

The date of this Offering Circular is 27 October 2010.

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## SUMMARY

*This summary must be read as an introduction to this Offering Circular. Any decision to invest in any Securities should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. The Issuer has civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the claimant may, under the national legislation of the Relevant Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.*

**Issuer:** Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products).

**Rabobank Group:** Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 30 June 2010, it comprised 143 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong internal relationships due to Rabobank’s cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“**Standard & Poor’s**”) (AAA since 1981) and Moody’s Investors Service Ltd. (“**Moody’s**”) (Aaa since 1981). In terms of Tier 1 capital, Rabobank Group is among the world’s 25 largest financial institutions (source: *The Banker*).

Rabobank Group’s cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 950 branches and 2,986 cash-dispensing machines at 30 June 2010, the local Rabobanks form a dense banking network in the Netherlands. The website [www.rabobank.nl](http://www.rabobank.nl) serves over three million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients, and approximately 800,000 corporate clients, offering a comprehensive package of financial services.

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

At 30 June 2010, Rabobank Group had total assets of € 675.8 billion, a private sector loan portfolio of € 435.1 billion, amounts due to customers of € 297.8 billion, savings deposits of € 125.5 billion and equity of € 40.5 billion. At 30 June 2010, its Tier 1 ratio, which is the ratio between Tier 1 capital and total risk-weighted assets, was 14.9 per cent. For the six-month period ended 30 June 2010, Rabobank Group’s efficiency ratio was 60.4 per cent., and return on equity, or net profit expressed as a percentage of Tier 1 capital, was 10.3 per cent. For the six month-period ended 30 June 2010, Rabobank Group realised net profit of € 1,661 million and a risk-adjusted return on capital (“**RAROC**”) of 15.0 per cent. after tax. At 30 June 2010, Rabobank Group had 58,419 full-time employees.

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

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

*Residential mortgages:* For the six-month period ended 30 June 2010, Rabobank Group had a market share of approximately 30.6 per cent. of the total amount of new home mortgages in the Dutch mortgage market (source: Dutch Land Registry Office (*Kadaster*)).

*Savings deposits of individuals:* At 31 May 2010, Rabobank Group had a market share of approximately 39.3 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)).

*Lending to small and medium-sized enterprises:* At 30 June 2010, Rabobank Group had a market share of approximately 41 per cent. of domestic loans to the trade, industry and services sector (source: measured by Rabobank's own surveys).

*Agricultural loans:* At 31 December 2009, Rabobank Group had a market share of approximately 84 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (source: measured by Rabobank's own surveys).

**Asset quality record:** For the six-month period ended 30 June 2010, Rabobank's bad debt costs were 27 basis points of average lending, which is higher than the 10-year average of 23 basis points (based on the period from 2000 to 2009).

At 31 December 2009, economic country risk exposure to non-OECD countries represented 3.4 per cent. of Rabobank Group's total assets. Having taken into account country risk-reducing components, net country risk before provisions amounted to 1.3 per cent. of Rabobank's total assets.

**Capitalisation:** At 30 June 2010, Rabobank's Tier 1 ratio was 14.9 per cent.

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

**Fiscal Agent:** Means either (A) the Issuing and Paying Agent if the Securities are or will be deposited with Euroclear or Clearstream, Luxembourg or (B) the Euroclear Netherlands Fiscal Agent if the Securities are or will be solely deposited with Euroclear Netherlands (the "**Fiscal Agent**").

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

**Issue Price:** Securities may be issued at their aggregate nominal amount or at a discount or premium to their aggregate nominal amount. Partly paid securities may be issued, the issue price of which will be payable in two or more instalments (the “**Issue Price**”).

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

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, Securities may be issued with any maturity between seven days and perpetuity.

**Denomination:** Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and will be specified in the relevant Final Terms.

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

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

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

The Margin (as defined in the terms and conditions of the Securities, if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each series of Floating Rate Securities.

**Currency Linked Securities:**

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

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

**Commodity Linked Securities:**

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

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

**Index Linked Securities:**

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

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

**Equity Linked Securities:**

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

*Equity Linked Redemption Securities:* Payments of principal in respect of Equity Linked Redemption Securities will be calculated and made by reference to a single equity security or basket of equity securities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. Equity Linked Redemption Securities may also provide that redemption will be by physical delivery as more fully set out in the terms and conditions of the Securities.

**Fund Linked Securities:**

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

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

**Debt Linked Securities:**

*Debt Linked Interest Securities:* Payments of interest in respect of Debt Linked Interest Securities will be calculated and made by reference to a single debt security or basket of debt securities on such terms and/or



formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

*Debt Linked Redemption Securities:* Payments of principal in respect of Debt Linked Redemption Securities will be calculated and made by reference to a single debt security or basket of debt securities on such terms and/or such formula as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms and/or the Schedule thereto.

**Future Linked Securities:**

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

*Future Linked Redemption Securities:* Payments of principal in respect of Future Linked Redemption Securities will be calculated and made by reference to a single future or basket of futures on such terms and/or such formula as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms and/or the Schedule thereto.

**Early Redemption:** The relevant Final Terms will indicate that the relevant Securities cannot be redeemed prior to their stated Maturity Date (other than in specified instalments, if applicable, or following an Illegality, a Force Majeure Event, an Event of Default, an Additional Disruption Event, a Tender Offer, an Extraordinary Fund Event, an Index Adjustment Event, a Disruption Fallback, a Tax Disruption, a Futures Adjustment Event (each as defined in the terms and conditions of the Securities) or such other events as specified in the relevant Final Terms).

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

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

**Status of Securities:** The Securities will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in the terms and conditions of the Securities.

**Cross Default:** See “*Events of Default*” in the terms and conditions of the Securities.

**Rating:** Securities to be issued under the Programme may be rated or unrated. Generally, however, Securities issued under the Programme will be unrated.

**Taxation:** Rabobank Nederland is a Dutch resident for tax purposes. For the Dutch tax consequences for the holders of Securities, see “*Taxation*”.

**Governing Law:** The laws of the Netherlands.

**Listing:** Euronext Amsterdam or as otherwise specified in the relevant Final Terms. Unlisted Securities may also be issued.

The Securities may also be listed on such other stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Securities may also be issued. The relevant Final

Terms will state whether or not the Securities are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange and/or market.

**Selling Restrictions:** There are selling restrictions in relation to among others the United States, the European Economic Area (including the United Kingdom and the Netherlands) and such other restrictions as may be required in connection with the offering, sale and delivery of a particular tranche of Securities. See “*Subscription and Sale*”.

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

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

## RISK FACTORS

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

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

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

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

#### ***Business and general economic conditions***

The profitability of Rabobank Group could be adversely affected by a worsening of general economic conditions in the Netherlands and/or globally. The financial crisis which started in the second half of 2007 affects all banks, particularly in respect of funding due to the liquidity shortage. Factors such as interest rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. For example, an economic downturn, or significantly higher interest rates, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, the market downturn and worsening of the economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from fees and commission and interest. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors affecting results of operations – General market conditions*". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material adverse effect on Rabobank Group's results of operations.

#### ***Credit risk***

Credit risk is defined as the risk that the bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A "**credit**" is each legal relationship on the basis of which Rabobank, in its role as financial services provider can or will obtain a claim on a debtor by providing a product (loans and bank overdrafts), a facility or a limit. As well as loans and facilities (with or without commitment), credit as a generic term also includes, among other things, guarantees, letters of credit and derivatives. Rabobank Group has a robust framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group's prudent policy for accepting new clients is characterised by careful assessment of clients and their ability to make

repayments on credit granted. As a result, the loan portfolio has a relatively low risk profile. Rabobank Group's objective is to enter into long-term relationships with clients which are beneficial for both the client and Rabobank Group.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the amount of the total exposure including the requested finance determining the applicable committee level. The Executive Board of Rabobank Nederland itself decides on the largest credit applications. Rabobank Group has three Policy Credit Committees ("PCCs"): Rabobank Group PCC and the Wholesale and Retail PCCs (the "**Wholesale PCC**" and "**Retail PCC**" respectively). Rabobank Group PCC establishes Rabobank Group's credit risk policy. Rabobank Group entities define and establish their own credit policies within this framework. In this context, the Retail PCC is responsible for domestic retail banking and the Wholesale PCC for wholesale banking and international retail banking. In Rabobank Group PCC, which is chaired by the CFO, the Executive Board of Rabobank Nederland is represented by three members. The CFO also chairs the Wholesale and Retail PCCs. The PCCs are composed of representatives from Rabobank Group's most senior management levels. For corporate loans, a key concept in Rabobank Group's policy for accepting new clients is the "know your customer" principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by Rabobank Group. In addition, Rabobank Group is familiar with the industry in which a client operates and can assess its clients' financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

As a result of Rabobank Group's high level of diversification, it has not experienced major fluctuations in its levels of profitability in the past. However, the current economic downturn may result in loan losses that are above Rabobank Group's long-term average, which could have a material adverse effect on Rabobank Group's results of operations.

### ***Country risk***

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

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

### ***Interest rate risk***

An important risk component for Rabobank Group is interest rate risk. Interest rate risk is the risk, outside the trading environment, of deviations in interest income and/or the market value of capital as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for Rabobank Group's liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of Rabobank Group's assets, such as mortgages, which have longer interest rate fixation periods. Sudden and substantial changes in interest rates could have a material adverse effect on Rabobank Group's results of operations.

### ***Funding and liquidity risk***

Liquidity risk is the risk that not all (re)payment commitments can be met. This could happen if clients or other professional counterparties suddenly withdraw more funding than expected, which cannot be met by

Rabobank Group's cash resources or by selling or pledging assets or by borrowing funds from third parties. Important factors in preventing this are preserving the trust of customers for retail funding and maintaining access to financial markets for wholesale funding. If either of these were seriously threatened, this could have a material adverse effect on Rabobank Group's results of operations.

#### ***Market risk***

The value of Rabobank Group's trading portfolio is affected by changes in market prices, such as interest rates, equities, currencies, certain commodities and derivatives. Although positions have been reduced, and volatility in the financial markets decreased in 2009, any future worsening of the situation in the financial markets could have a material adverse effect on Rabobank Group's results of operations.

#### ***Currency risk***

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

#### ***Operational risk***

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

#### ***Legal risk***

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

#### ***Tax risk***

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

### ***Systemic risk***

Rabobank Group could be negatively affected by the lack of soundness and/or the perceived lack of soundness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties. Financial services institutions that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Rabobank Group interacts on a daily basis. Any of the above-mentioned consequences of systemic risk could have an adverse effect on Rabobank Group’s ability to raise new funding and its results of operations.

### ***Effect of governmental policy and regulation***

Rabobank Group’s businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union, the United States and elsewhere. Areas where changes could have an impact include, but are not limited to, the monetary, interest rate and other policies of central banks and regulatory authorities, changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates, changes and rules in competition and pricing environments, developments in the financial reporting environment, or unfavourable developments producing social instability or legal uncertainty which in turn may affect demand for Rabobank Group’s products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. In 2009, strong competition in the Dutch savings market reduced the margin on savings and also caused a slight drop in Rabobank Group’s market share. The largest banks currently receiving state aid are expected to focus on the Dutch market to a significant extent, which is likely to result in increased competition in the Netherlands.

At 30 June 2010, mortgage loan interest payments for Dutch homeowners are tax deductible. Some Dutch political parties are currently discussing reducing or even abolishing the tax deductibility of these interest payments. If the tax deductibility is reduced or abolished, this could have a material adverse effect on Rabobank Group’s results of operations.

### ***Minimum regulatory capital requirements***

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

In addition, the current minimum regulatory requirements may increase in the future and the definition of capital may change. Currently, both the Basel Committee and the European Commission are consulting on proposals to amend Basel II and amend further the Capital Requirements Directive, respectively, which are intended to result in changes to be phased in by the end of 2012. These proposals aim, among other things, to strengthen the capital base of banks. If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such

increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's results of operations.

### ***Credit ratings***

Rabobank Group's access to the unsecured funding markets is dependent on its credit ratings. A reduction in its credit ratings could adversely affect Rabobank Group's access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements, all of which could have a material adverse effect on Rabobank Group's results of operations.

### ***Competition***

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

### ***Business environment***

Concerns about geopolitical developments, oil prices and natural disasters, among other things, can affect the global financial markets. Accounting and corporate governance scandals in recent years have had a significant negative impact on investor confidence. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's results of operations.

### ***Terrorist acts, other acts of war or hostility, geopolitical, pandemic or other such events***

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

### ***Key employees***

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

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

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

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

- (A) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (B) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

- (C) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency (as defined in "*Risks related to the market generally – Exchange rate risks and exchange controls*");
- (D) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (E) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

***No interest may be payable under the Securities***

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

As there may be no periodic payment of interest to the holders of Securities, any increase in the value of the underlying, as the case may be, will not be crystallised until the Securities are redeemed, and the Securities may fall in value at any time prior to redemption.

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

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

***Risks related to Leveraged Certificates***

Leveraged Certificates operate as Warrants and, as such, the risk factors below which apply to Warrants apply equally to the Leveraged Certificates. Leveraged Certificates are financial instruments without a fixed maturity or expiration date. Leveraged Certificates can either be terminated by the Issuer or exercised by the Security holder, and may automatically terminate if the Underlying (as defined below) reaches a pre-determined level. Following any such event, the Leveraged Certificates pay an amount determined by reference to the level of the underlying share, fund, index, future, commodity, currency or reference entity (each an "**Underlying**") on one or more specified days, subject to the certificate entitlement. Investors in the Leveraged Certificates should be aware that their entire investment may be lost if the Underlying is at an unfavourable level upon exercise or termination, as the case may be. Where the Underlying is a product which has an expiration, for example a future, then the Underlying may be substituted for an equivalent instrument during the life of the Leveraged Certificates.

The price at which a Security holder will be able to sell Leveraged Certificates may be at a potentially substantial discount to the market value of the Leveraged Certificates at the relevant Issue Date of the Leveraged Certificates if, at such time and in addition to certain other factors, the value of the Underlying is at an unfavourable level. Leveraged Certificates track the Underlying in a linear manner. The amount needed



to invest in a Leveraged Certificate to give the same participation rate in the Underlying as a direct investment in the Underlying is considerably less. Therefore, the percentage gain if the Underlying rises (in the case of a Long Leveraged Certificate (as defined below)) or falls (in the case of a Short Leveraged Certificate (as defined below)) and the percentage loss if the Underlying falls or rises, respectively, is higher in Leveraged Certificates than in a direct investment in the Underlying (the “**Leverage Effect**”). Investors should be aware that the Leverage Effect from holding Leveraged Certificates could result in gaining or losing a greater percentage of an investment than would occur through a direct investment in the Underlying. The maximum loss to the investor is the initial amount invested. Investors must expect to suffer a loss if the market price or value of the Underlying falls (in the case of Long Leveraged Certificates) or rises (in the case of Short Leveraged Certificates). A feature of Leveraged Certificates is the Stop Loss Event which will result in the early termination of the certificate.

“**Short Leveraged Certificates**” are certificates that are designed to enable the investor to profit from declining markets by tracking the Underlying in an inverse manner. If the value of the Underlying drops, the value of the Short Leveraged Certificate is expected to rise by an equivalent amount, taking into account any applicable foreign exchange rate.

“**Long Leveraged Certificates**” are certificates that are designed to enable the investor to profit from rising markets by tracking the Underlying. If the value of the Underlying rises, the value of the Long Leveraged Certificate is expected to rise by an equivalent amount, taking into account any applicable foreign exchange rate.

The Issuer may, among other things, cancel an offer for, or decline an application to subscribe for, Leveraged Certificates at any time prior to the relevant Issue Date. Although the Issuer will generally seek to have an expected issue of Leveraged Certificates admitted to trading on Euronext Amsterdam on an “as-if-and-when-issued” basis on or about the relevant Trade Date, prospective investors in Leveraged Certificates should not rely on trading on this basis as a commitment by the Issuer to accept an application to subscribe for Leveraged Certificates or to refrain from withdrawing, cancelling or otherwise modifying an offer of Leveraged Certificates. A prospective investor submitting an application to subscribe for Leveraged Certificates will be notified of the acceptance or otherwise of such application only on or around the Issue Date.

### ***Risks related to Warrants***

#### *Investment in Warrants involves a high degree of risk*

Investment in Warrants involves a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Warrants should recognise that their Warrants, other than any Warrants having a minimum expiration value, may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Warrants except, if so indicated in the relevant Final Terms, to the extent of any minimum expiration value attributable to such Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires (except to the extent of any minimum expiration value). See “*Certain Factors Affecting the Value and Trading Price of Warrants*” below. Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Warrants in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Warrants and the particular reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference to which the value of the relevant Warrants may relate, as specified in the relevant Final Terms.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant reference share (or basket of shares), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis which may be specified in the relevant Final Terms. Assuming all other factors are held constant, the more a Warrant is “out-of-the-money” and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. With respect to European-style Warrants, the only means through which a holder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Warrants or Fund Warrants. Fluctuations in the price of the relevant share or value of the basket of shares will affect the value of Equity Warrants. Fluctuations in the price or yield of the relevant debt instrument (including the relevant government bond) or value of the basket of debt instruments (including the basket of government bonds) will affect the value of Debt Warrants. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Warrants. Also, due to the character of the particular market on which a debt instrument (including a government bond) is traded, the absence of last sale information and the limited availability of quotations for such debt instrument (including such government bond) may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument (including such government bond). Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity Warrants. Fluctuations in the value of the relevant fund will affect the value of the Fund Warrants. Purchasers of Warrants risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

#### *Warrants are Unsecured Obligations*

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

#### *Certain Factors Affecting the Value and Trading Price of Warrants*

The Cash Settlement Amount (in the case of Cash Settled Warrants) or the difference in the value of the Entitlement and the Exercise Price (each as defined in the terms and conditions of the Securities) (the “**Physical Settlement Value**”) (in the case of Physical Delivery Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the “time value” of the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the relevant Final Terms. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price level of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the relevant Final Terms, as well as a result of a number of other interrelated factors, including those specified herein. Before exercising or selling Warrants, Security holders should carefully consider, among other things, (A) the trading price of the Warrants, (B) the value and volatility of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the

relevant Final Terms, (C) the time remaining to expiration, (D) in the case of Cash Settled Warrants, the probable range of Cash Settlement Amounts, (E) any change(s) in interim interest rates and dividend yields if applicable, (F) any change(s) in currency exchange rates, (G) the depth of the market or liquidity of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the relevant Final Terms and (H) any related transaction costs.

#### *Limitations on Exercise*

If so indicated in the relevant Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the relevant Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Security holder may not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the relevant Final Terms. Unless otherwise specified in the relevant Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

#### *Minimum Exercise Amount*

If so indicated in the relevant Final Terms, a Security holder must tender a specified number of Warrants at any one time in order to exercise. Thus, Security holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

#### *Effect of Credit Rating Reduction*

The value of the Warrants is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, Standard & Poor's, and Fitch Ratings Ltd. ("**Fitch**") A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Warrants.

#### *Time Lag after Exercise*

In the case of any exercise of Warrants, there may be a time lag between the time a Security holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Such delay could be significantly longer than expected, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a market disruption event (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Warrants. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

### *Certain Additional Risk Factors Associated with Currency Warrants*

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Warrants. Furthermore, investors who intend to convert gains or losses from the exercise or sale of Currency Warrants into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Currency Warrants risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction. If additional warrants or options relating to particular currencies or currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Warrants and such other warrants and options trade in the secondary market to decline significantly.

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

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

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

### ***Currency Linked Securities***

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

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

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

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

### ***Commodity Linked Securities***

The Issuer may issue Securities where the amount of principal and/or interest payable is dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or

change in the price of the commodity or commodity Index or basket of commodities or commodity Indices, on redemption the Issuer may be obliged to deliver specified assets.

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

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

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

#### ***Index Linked Securities and Equity Linked Securities***

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

- (A) the market price of such Securities may be volatile;
- (B) they may receive no interest or principal;
- (C) payment of principal or interest or delivery of any specified assets (if applicable) may occur at a different time or in a different currency than expected;
- (D) the amount of principal payable on redemption may be less than the nominal amount on such Securities or even zero;
- (E) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (F) if a Relevant Factor is applied to Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable or the amount of specified assets deliverable (if applicable) will likely be magnified;
- (G) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (H) the Terms and Conditions of the Securities may contain broad calculation agent discretions to interpret, change or redeem the Securities, where such discretions are not required to be exercised in the interests of Security holders.

### *No recourse to or claim against any Equity Issuer*

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

### *Settlement Disruption Events*

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

### *Failure to Deliver*

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

## ***Fund Linked Securities***

### *General*

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

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

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

The Issuer has no role in the Fund (as defined in the terms and conditions of the Securities). The Fund Manager and/or the Fund Adviser are responsible for making strategic, investment and other trading decisions with respect to the management of the Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which a Fund is managed and the timing of

such decisions will have a significant impact on the performance of the Fund. Hence, the price which is used to calculate the performance of the Fund is also subject to these risks. Set out below are risks that are common to any fund or funds and are not specific to the Fund. These risks include<sup>1</sup>:

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

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

#### *Use of estimates*

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

#### *Changing value*

The value of the Securities may move up or down between the Issue Date and the Maturity Date and an investor in the Securities in the secondary market during that time or on maturity of the Securities may sustain a significant loss. Factors that may influence the value of the Securities include: the value of the Fund; the creditworthiness of the Issuer in respect of the Securities; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a Fund Interest in the Fund may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of a Fund Interest, and may also be affected by the performance of the fund service providers, and in particular the investment adviser.

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

The price of a Fund Interest may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Interest may be traded).

*Prospective purchasers of the Securities have no rights with respect to the Fund or Fund Interests in the Fund*

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

***Debt Linked Securities***

The Issuer may issue Securities where the settlement amount/redemption amount and/or interest payable are dependent upon the value of an underlying debt instrument or basket of underlying debt instruments, or where, depending on the price of or change in the price of the underlying debt instruments or basket of underlying debt instruments, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Debt Linked Securities may bear similar market risks to a direct debt instrument investment and investors should take advice accordingly. An investment in Debt Linked Securities will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

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

If the amount of the cash settlement amount/redemption amount and/or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the debt instrument(s) on the cash settlement amount/redemption amount or interest payable, or Entitlement deliverable, will be magnified.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption date or exercise date (as applicable), the volatility of the debt instrument(s) and the financial results and prospects of the issuer or issuers of the relevant debt instrument(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such debt instrument(s) may be traded.

***Futures Linked Securities***

The Issuer may issue Securities where the settlement amount/redemption amount and/or interest payable are dependent upon the price of or changes in the price of futures or a basket of futures or where, depending on



the price or change in the price of the future or basket of futures, the relevant Issuer has an obligation to deliver specified assets. Accordingly, an investment in Futures Linked Securities may bear similar market risks to a direct futures investment and investors should take advice accordingly. An investment in Futures Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Futures Linked Securities should be aware that, depending on the terms of the Futures Linked Securities, (A) they may receive no or a limited amount of interest, (B) payments or delivery of any specified assets may occur at a different time or in a different currency than expected and (C), except in the case of principally protected Futures, they may lose all or a substantial portion of their investment if the value of the future(s) do not move in the anticipated direction. In addition, the movements in the price of the future or basket of futures may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the future or futures may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the future or futures, the greater the effect on yield.

If the amount of the cash settlement amount/redemption amount and/or interest payable or Entitlement deliverable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the future or futures on the cash settlement amount/redemption amount or interest payable, or Entitlement deliverable, will be magnified.

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

#### ***Securities may not be principal protected***

The investor should note that the Securities may not be principal protected. On the Maturity Date, the redemption amount per Security may be less than the initial investment amount and purchasers of Securities are exposed to full loss of principal.

#### ***Variable rate Securities with a multiplier or other leverage factor***

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

#### ***Fixed/Floating Rate Securities***

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

#### ***Securities issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-

bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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

Set out below is a brief description of certain risks relating to the Securities generally<sup>2</sup>:

#### ***No claim against any Reference Item***

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

An investment in Securities linked to one or more Reference Items may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section<sup>3</sup>. The amount paid or value of the specified assets delivered by the Issuer on redemption of such Securities may be less than the principal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero.

#### ***Potential conflicts of interest in relation to hedging***

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

#### ***Other potential conflicts of interest***

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

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

The Issuer and/or any of its Affiliates may have existing or future business relationships with an issuer or issuers of any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deem(s) necessary or

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<sup>2</sup> 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.

<sup>3</sup> 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.

appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a holder of Securities.

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

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

The Terms and Conditions of the Securities may be amended by the Issuer (*A*) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or (*B*) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Securities, to all of which each holder of Securities shall, by acceptance thereof, consent. The Terms and Conditions of the Securities also provide for the substitution of another company as principal debtor under any Securities in place of the Issuer, in the circumstances described in the Terms and Conditions of the Securities.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) (see “*Taxation – EU Savings Directive*” below), EC Member States are required, from 1 July 2005, to provide to the tax authorities of another EC Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EC Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Belgium used to operate a withholding tax system at a rate no higher than 20 per cent. in relation to such payments until 31 December 2009 and switched to the provision of information (instead of the withholding tax) as from 1 January 2010. The Savings Directive provides for a current withholding tax rate of 20 per cent., increasing to a 35 per cent. withholding tax rate as of 1 July 2011.

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland and certain dependent or associated territories of certain EC Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in an EC Member State.

In addition, the EC Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an EC Member State to, or collected by such a person for, an individual resident in one of those territories. If, following implementation of the Savings Directive, a payment were to be made or collected through an EC Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Savings Directive, the Issuer will be required to maintain a Paying Agent in an EC Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Investors should note that on 13 November 2008 the European Commission published a proposal to amend the Savings Directive. If implemented, the proposed amendments would, *inter alia*, extend the scope of the

Savings Directive to (A) payments made through certain intermediate structures (whether or not established in an EC Member State) for the ultimate benefit of an EU resident individual and (B) a wider range of income similar to interest. Investors who are in any doubt as to their position should consult their professional advisers.

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

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

### ***Loss of principal***

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

### **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk<sup>4</sup>:

#### ***The secondary market generally***

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

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

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

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (A) the Investor's Currency-equivalent yield on the Securities, (B) the Investor's Currency-equivalent value of the principal payable on the Securities and (C) the Investor's Currency-equivalent market value of the Securities. If the Securities are denominated in a currency other than the currency of the country in which the Security holder is resident, the Security holder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The

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<sup>4</sup> 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.

Security holder may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Security is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Interest rate risks***

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

***Credit ratings may not reflect all risks***

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

***Legal investment considerations may restrict certain investments***

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

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (A) the Terms and Conditions of Securities as set forth in the offering circular of the Issuer, dated 24 September 2009, in respect of Securities (e.g. second and further tranche issues) if such Securities are to be consolidated and form a single series with the aforementioned securities;
- (B) the audited unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2007, 2008 and 2009 (together with the explanatory notes and the auditor's reports in respect thereof);
- (C) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2007, 2008 and 2009 (together with the explanatory notes) and the auditor's reports in respect thereof and the assurance report included therein;
- (D) the annual reports of Rabobank Group for the years ended 31 December 2007, 2008 and 2009;
- (E) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2010 and the review report on the condensed consolidated interim financial information in respect thereof; and
- (F) the most recent articles of association of the Issuer.

Any statement contained in this Offering Circular or in any of the documents incorporated by reference in, and forming part of, this Offering Circular shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular (E-mail: [ir@rabobank.com](mailto:ir@rabobank.com); Telephone No.: +31 (0)30 712 24 01). In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabobank International (as Euronext Amsterdam Listing Agent), the offices of the Paying Agents and the website of the Issuer ([www.rabobank.com/ir](http://www.rabobank.com/ir)).

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

## IMPORTANT INFORMATION

This Offering Circular is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and the Dutch securities laws.

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

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

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

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

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

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Securities should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Securities

should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the terms of such Securities (see “*Risk Factors*”).

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

Distribution of this Offering Circular and any Final Terms and the offering, sale or delivery of any Securities in certain jurisdictions may be restricted by law.

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

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

The Issuer maintains its financial books and records and prepares its financial statements in euro in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European



Commission, which differ in certain important respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”).

All figures in this Offering Circular have not been audited, unless stated otherwise, and are internal figures of Rabobank Nederland or Rabobank Group. The financial data in this Offering Circular has been extracted from the audited consolidated financial statements of Rabobank Group, the annual report of Rabobank Group for the year 2009 or the interim report of Rabobank Group for the year 2010, unless stated otherwise.

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

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

As defined by Standard & Poor’s, an “**AAA**” rating means that the ability of the Issuer to meet its financial commitment on the relevant notes issued by it is extremely strong. As defined by Fitch, an “**AA+**” rating indicates that the Issuer has a very low default risk and that this capacity is not significantly vulnerable to foreseeable events. As defined by Fitch, an addition of a plus (+) or minus (-) sign denotes relative status within the major rating categories. As defined by Moody’s, an “**Aaa**” rating indicates that the Issuer is judged to be of the highest quality and is subject to minimal credit risk.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning ratings agency.

### **Special considerations**

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

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

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

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above and none of the Issuer or the Dealers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it

operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

## **GENERAL DESCRIPTION OF THE PROGRAMME**

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

This Offering Circular (together with the relevant Final Terms, and supplements, if any) will be valid for unlisted Securities or for listing or admission to trading of Securities on Euronext Amsterdam or any other stock exchange during the period of 12 months from the date of this Offering Circular.

## SECTION A: TERMS AND CONDITIONS OF THE LEVERAGED CERTIFICATES

*The following is the text of the terms and conditions of the Leveraged Certificates (the “General Leveraged Certificates Conditions”) which will apply to each issue of Leveraged Certificates and which will include the additional terms and conditions contained in Annex 1 in the case of Equity Leveraged Certificates, Annex 2 in the case of Fund Leveraged Certificates, Annex 3 in the case of Index Leveraged Certificates, Annex 4 in the case of Commodity Leveraged Certificates, Annex 5 in the case of Currency Leveraged Certificates, Annex 6 in the case of Debt Leveraged Certificates and Annex 7 in the case of Futures Leveraged Certificates and which will be subject to completion and/or amendment in Part A of the relevant Final Terms. In the event of any inconsistency between the General Leveraged Certificates Conditions and the Final Terms, the Final Terms shall prevail.*

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or “**Issuer**”) may from time to time issue exercisable certificates (such exercisable certificates being hereinafter referred to as the “**Leveraged Certificates**”) issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the issue date of the Leveraged Certificates) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the “**Issuing and Paying Agent**”, which expression shall include any additional or successor Issuing and Paying Agent), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named therein (each a “**Paying Agent**” and, together with the Issuing and Paying Agent and the Euroclear Netherlands Fiscal Agent, the “**Paying Agents**”, which expression shall include any additional or successor Paying Agents) dated 27 October 2010 (the “**Agency Agreement**”).

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Leveraged Certificates as set out below and in the relevant Final Terms unless another entity is so specified as the calculation agent in the relevant Final Terms in which case the expression “Calculation Agent” shall, in relation to the relevant Leveraged Certificates, include such other specified calculation agent.

No Leveraged Certificates in definitive form will be issued. The Leveraged Certificates will be registered securities in dematerialised and uncertificated book-entry form with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). No physical global certificates or definitive certificates will be issued in respect of Leveraged Certificates. The Leveraged Certificates are issued subject to and in accordance with the General Leveraged Certificates Conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the terms and conditions (Books I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the “**Regulations**”). The right to request delivery (*uitlevering*) of Leveraged Certificates is excluded.

The relevant Final Terms for the Leveraged Certificates supplement these General Leveraged Certificates Conditions and may specify other terms and conditions that shall, to the extent so specified or to the extent inconsistent with these General Leveraged Certificates Conditions, supplement, replace or modify these General Leveraged Certificates Conditions for the purposes of the Leveraged Certificates.

References herein to the “**relevant Final Terms**” are to the Final Terms related to a specific issue of Leveraged Certificates registered with Euroclear Netherlands.

Copies of the Agency Agreement and the ISDA Definitions (as defined below) may be obtained during normal business hours at the specified offices of each of the Paying Agents.

Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and the specified offices of the Paying Agents and copies may be obtained during normal business hours at the specified office of each of the Paying Agents save that, if the Leveraged Certificate is neither listed on a stock

exchange nor admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the relevant Final Terms will only be obtainable by a Certificateholder holding one or more Leveraged Certificates and such Certificateholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Leveraged Certificates and identity. The Certificateholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (insofar as they relate to the Leveraged Certificates) and the relevant Final Terms which are applicable to them.

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

## 1 Type, Title and Transfer

### (A) *Type*

The Leveraged Certificates are Equity Leveraged Certificates, Fund Leveraged Certificates, Index Leveraged Certificates, Commodity Leveraged Certificates, Currency Leveraged Certificates, Debt Leveraged Certificates or Futures Leveraged Certificates. Certain terms which will, unless otherwise varied in the relevant Final Terms, apply to these different forms of Leveraged Certificates are set out in Annexes 1 to 7 of this section titled “*Terms and Conditions of the Leveraged Certificates*” as applicable.

### (B) *Title to Leveraged Certificates*

Title to the Leveraged Certificates shall pass by book-entry in accordance with the Securities Giro Act and the Regulations. Rights in respect of the Leveraged Certificates shall belong to a community to be subdivided into as many equal denominations (referred to in the Regulations as *coupures*) as there are Leveraged Certificates in the relevant series.

### (C) *Transfers of Leveraged Certificates*

Transfer and delivery of denominations shall take place solely between or through the intermediary of admitted institutions (“**Admitted Institutions**”, defined in the Regulations as *aangesloten instellingen*) of Euroclear Netherlands. A holder of a co-ownership right in respect of the community of denominations is referred to as a “**Certificateholder**”.

### (D) *Payments in respect of Leveraged Certificates*

All payments in respect of the Leveraged Certificates shall be made in accordance with the Regulations. In particular, payment of principal or any other payments on or in respect of the Leveraged Certificates to the Certificateholders will be effected through Admitted Institutions (*aangesloten instellingen*) of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Leveraged Certificates to an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Certificateholders. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Admitted Institutions which according to Euroclear Netherlands’ record hold a share in the *girodepot* (as referred to in the Netherlands Securities Giro Act) with respect to such Leveraged Certificates, the relevant payment to be made in proportion with the share in such *girodepot* held by each of such

Admitted Institutions in accordance with the relevant provisions of the Regulations. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

Transfers of Leveraged Certificates may not be effected after (i) the exercise of such Leveraged Certificates pursuant to General Leveraged Certificates Condition 5, (ii) the date upon which the Issuer gives notice to the Certificateholders of the occurrence of a Stop Loss Event; or (iii) the date upon which the Issuer gives notice to the Certificateholders of its intention to terminate the Leveraged Certificates as a result of an Issuer Call.

Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Issuing and Paying Agent from time to time and notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9.

(E) *Delivery of Leveraged Certificates*

Delivery of any Leveraged Certificates shall be effected by delivery against payment.

## 2 Status of the Leveraged Certificates

The Leveraged Certificates constitute direct, unsubordinated and unsecured obligations of the Issuer and shall, at all times, rank *pari passu* among themselves and (subject to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

## 3 Definitions

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity under common control with the First Entity. As used herein, “**control**” means the ownership of a majority of the voting power of an entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Business Day**” means (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the relevant Final Terms and Euroclear Netherlands is open for business and (B) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

“**Calculation Period**” means the number of calendar days from, but excluding, a Reset Date to and including, the next following Reset Date.

“**Cash Settlement Amount**” means, unless otherwise specified in the relevant Final Terms, an amount determined by the Calculation Agent in accordance with the following formulae:

(A) in the case of any Leveraged Certificate except for a Short Leveraged Certificate:

(i) Upon Exercise:

(Final Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(ii) Upon an Issuer Call:  
(Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(iii) Following a Stop Loss Event:  
(Stop Loss Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”).

(B) in the case of a Short Leveraged Certificate:

(i) Upon Exercise:  
(Current Financing Level – Final Reference Price) x Entitlement, less Expenses (the “**Exercise Cash Settlement Amount**”); or

(ii) Upon an Issuer Call:  
(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the “**Issuer Call Cash Settlement Amount**”); or

(iii) Following a Stop Loss Event:  
(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “**Stop Loss Cash Settlement Amount**”),

provided in each case (A) and (B) that the Cash Settlement Amount shall not be less than zero. For the purpose of the above calculation, the amounts shall be converted into the Settlement Currency at the prevailing Exchange Rate and the Cash Settlement amount rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

“**Clearing System**” means Euroclear Netherlands and/or any additional or alternative clearing system approved by the Issuer and the relevant Paying Agent(s) from time to time and specified in the relevant Final Terms.

“**Current Financing Level**” means, subject to adjustment in accordance with the General Leveraged Certificates Conditions, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each Reset Date, in accordance with the following formula:

(A) in the case of a Leveraged Certificate other than a Commodity Leveraged Certificate (where the Issuer is using the Futures Contract as the Commodity Reference Price), a Debt Leveraged Certificate or a Futures Leveraged Certificate:

- (i) the Current Financing Level on the previous Reset Date; plus
- (ii) Funding Cost; and minus
- (iii) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts; or

(B) in the case of a Commodity Leveraged Certificate (where the Issuer is using the Futures Contract as the Commodity Reference Price), a Debt Leveraged Certificate or a Futures Leveraged Certificate:

- (i) in the case of Long Leveraged Certificates:
  - (a) the Current Financing Level on the previous Reset Date; plus

- (b) Handling Cost; minus
  - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread; or
- (ii) in the case of Short Leveraged Certificates:
- (a) the Current Financing Level on the previous Reset Date; minus
  - (b) Handling Cost; minus
  - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

The Current Financing Level on the Trade Date is the level specified as such in the relevant Final Terms.

“**Current Spread**” means the rate (expressed as a percentage rate per annum) as determined by the Calculation Agent having regard to the Financing Level Currency, prevailing market conditions and such other factors as the Calculation Agent determines to be relevant. The Current Spread may be reset on a Reset Date, subject to the “**Maximum Spread**” (as specified in the relevant Final Terms) per annum (save that if, in the sole discretion of the Calculation Agent, at any time the market rate for borrowing the underlying or hedging the Leveraged Certificates with futures materially exceeds such market rate as of the Trade Date, the Current Spread and/or Maximum Spread may be increased to reflect this change). The Current Spread on the Trade Date is the spread specified as such in the relevant Final Terms.

“**Current Stop Loss Premium**” means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with the General Leveraged Certificates Conditions, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “**Minimum Premium**” nor greater than the “**Maximum Premium**” (both as specified in the relevant Final Terms) of the Current Financing Level, each as subject to adjustment in accordance with the General Leveraged Certificates Conditions. The percentage used for calculating the Current Stop Loss Premium (the “**Current Stop Loss Premium Rate**”) on the Trade Date is the rate specified as such in the relevant Final Terms.

“**Early Redemption Amount**” means an amount equal to the market value of each Leveraged Certificate on the date of redemption, adjusted, if so specified in the relevant Final Terms, to account for Early Redemption Unwind Costs.

“**Early Redemption Unwind Costs**” means the amount specified in the relevant Final Terms or, if “**Standard Early Redemption Unwind Costs**” are specified in the relevant Final Terms, an amount determined by the Calculation Agent in its sole and absolute discretion equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Leveraged Certificates and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Leveraged Certificates.

“**Entitlement**” means the number specified as such in the relevant Final Terms, subject to any adjustment in accordance with the General Leveraged Certificates Conditions.

“**Exchange Rate**” means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.



“**Exercise**” means a Certificateholder’s right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 4 and 5.

“**Exercise Date**” means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 4, the third Business Day preceding the relevant Scheduled Valuation Date.

“**Exercise Time**” means the time specified as such in the relevant Final Terms.

“**Expenses**” means the expenses defined as such in General Leveraged Certificates Condition 10(B).

“**Final Reference Price**” means, unless otherwise specified in the relevant Final Terms, an amount equal to the Reference Value at the Valuation Time on the Valuation Date as determined by, or on behalf of, the Calculation Agent.

“**Financing Level Currency**” means the currency specified as such in the relevant Final Terms.

“**Funding Cost**” means, subject to adjustment in accordance with the General Leveraged Certificates Conditions, an amount, as determined by the Calculation Agent, equal to:

- (A) in the case of a Leveraged Certificate other than a Short Leveraged Certificate or a Long Currency Leveraged Certificate:
  - (i) Prevailing Rate plus Current Spread; multiplied by
  - (ii) the Current Financing Level on the previous Reset Date; multiplied by
  - (iii) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.
- (B) in the case of a Short Equity Leveraged Certificate other than a Short Currency Leveraged Certificate:
  - (i) Prevailing Rate minus Current Spread; multiplied by
  - (ii) the Current Financing Level on the previous Reset Date; multiplied by
  - (iii) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

“**Handling Cost**” means, subject to adjustment in accordance with General Leveraged Certificates Conditions, an amount, as determined by the Calculation Agent on a daily basis, equal to:

- (A) Current Spread; multiplied by
- (B) the Current Financing Level on the previous Reset Date; multiplied by
- (C) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Handling Cost may be a negative number.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk

including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Leveraged Certificates, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

“**Hedging Equities**” means the number of Equities (in the case of Equity Leveraged Certificates) or components comprised in an Index (in the case of Index Leveraged Certificates) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Leveraged Certificates.

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange and interest risk) of the Issuer issuing and performing its obligations with respect to the Leveraged Certificates, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Issue Date**” means the date specified as such in the relevant Final Terms.

“**Issuer Call**” means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 4.

“**Issuer Call Commencement Date**” means the date specified as such in the relevant Final Terms.

“**Issuer Call Date**” means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 4, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Specified Maximum Days of Disruption immediately following the original date is a Disrupted Day. In that case, (A) the last day of the Specified Maximum Days of Disruption shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions and the last reported value of the Reference Value, and in each case taking into account such other factors as the Calculation Agent determines to be relevant.

“**Issuer Call Notice Period**” means the period specified as such in the relevant Final Terms.

“**Long Leveraged Certificate**” means any Long Equity Leveraged Certificate, Long Index Leveraged Certificate, Long Commodity Leveraged Certificate or Long Currency Leveraged Certificate, Long Debt Leveraged Certificate or Long Futures Leveraged Certificate.

“**Notional Dividend Amount**” means, if Notional Dividend Amount is specified as being applicable in the relevant Final Terms, an amount, if any, as determined by the Calculation Agent, equal to (A) in the case of a Leveraged Certificate other than a Short Leveraged Certificate: (i) the sum of the cash dividends and/or other cash distributions in respect of the underlying which have an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses or (B) in the case of a Short Leveraged Certificate: (i) the sum of full cash dividends declared in respect of the underlying which has an ex-dividend date occurring during the Notional Dividend Period without regard to any withholding taxes or

other deductions, multiplied by the prevailing percentage payable under market standard stock borrow agreements or (ii) the market implied dividend during the Notional Dividend Period, plus any Expenses.

“**Notional Dividend Period**” means, unless otherwise specified in the relevant Final Terms, each period from but excluding the Trade Date to, and including, the earlier of the next following Reset Date, Issuer Call Date or the Valuation Date and thereafter from but excluding the Reset Date to, and including, the earlier of the next following Reset Date, Issuer Call Date or the Valuation Date.

“**Prevailing Rate**” means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency, as applicable, with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

“**Reset Date**” means, unless otherwise specified in the relevant Final Terms, the Trade Date and thereafter (A) the day of each calendar month specified as such in the relevant Final Terms, provided that if such day is not a Business Day (or, in respect of Commodity Leveraged Certificates, Commodity Business Day), the Reset Date will be the next following Business Day (or, in respect of Commodity Leveraged Certificates, Commodity Business Day) or (B) each Business Day (or, in respect of Commodity Leveraged Certificates, Commodity Business Day) or (C) in respect of Debt Leveraged Certificates or Commodity Leveraged Certificates, the Business Day (or, in respect of Commodity Leveraged Certificates, Commodity Business Day) following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Reference Asset, in each case at the determination of the Calculation Agent.

“**Scheduled Closing Time**” means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

“**Scheduled Valuation Date**” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Settlement Currency**” means the currency specified as such in the relevant Final Terms.

“**Settlement Date**” means, unless otherwise specified in the relevant Final Terms, a day on which the Issuer shall pay, or cause to be paid, the Cash Settlement Amount (if any) in respect of a valid Exercise, Stop Loss Event or Issuer Call.

“**Short Leveraged Certificate**” means any Short Equity Leveraged Certificate, Short Index Leveraged Certificate, Short Commodity Leveraged Certificate or Short Currency Leveraged Certificate, Short Debt Leveraged Certificate or Short Futures Leveraged Certificate.

“**Specified Maximum Days of Disruption**” means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

“**Stop Loss Event**” occurs if, unless otherwise specified in the relevant Final Terms, subject to any adjustment in accordance with the General Leveraged Certificates Conditions, the Reference Value is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (A) in the case of a Leveraged Certificate other than a Short Leveraged Certificate, less than or equal to the Stop Loss Price or (B) in the case of a Short Leveraged Certificate, greater than or equal to the Stop Loss Price. If no such level is available, the level will be determined by the Calculation Agent in its absolute discretion.

“**Stop Loss Termination Reference Price**” means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with the General Leveraged Certificates Conditions, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be equal to:

- (A) in the case of Leveraged Certificates other than Short Leveraged Certificates, the higher of (i) the fair value price of the Reference Value as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best efforts basis and (ii) the lowest level of the Reference Value on the Stop Loss Termination Valuation Date; or
- (B) in the case of a Short Currency Leveraged Certificate, the higher of (i) the fair value price of the Reference Value as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best efforts basis and (ii) the highest level of the Reference Value on the Stop Loss Termination Valuation Date.

“**Stop Loss Termination Valuation Date**” means the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

“**Stop Loss Termination Valuation Period**” means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than two Business Days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

In respect of Fund Leveraged Certificates, the Issuer shall submit a duly completed request to redeem Fund Interests as soon as practicable following the occurrence of the Stop Loss Event and, for the avoidance of doubt, such submissions may occur on the Business Day following such Stop Loss Event if the Stop Loss Event occurs less than three hours prior to the cut-off time and the Fund Manager, Affiliate, agent, or intermediary platform through which the Issuer may contract (via a trading agreement or other ancillary document) is available to receive requests to subscribe and/or redeem Fund Interests.

“**Stop Loss Price**” means an amount calculated on each Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with the General Leveraged Certificates Conditions, determined by the Calculation Agent in its sole and absolute discretion, as:

- (A) in the case of a Leveraged Certificate other than a Short Leveraged Certificate:
  - (i) the Current Financing Level on the current Reset Date; plus
  - (ii) the Current Stop Loss Premium on the current Reset Date; or
- (B) in the case of a Short Leveraged Certificate:
  - (i) the Current Financing Level on the current Reset Date; minus
  - (ii) the Current Stop Loss Premium on the current Reset Date.

The Stop Loss Price will be rounded in the manner specified in the relevant Final Terms as “**Stop Loss Price Rounding**”. The Stop Loss Price on the Trade Date shall be the amount specified as such in the relevant Final Terms.

“**Termination Reference Price**” means, unless otherwise specified in the Final Terms, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the value of the Reference Value at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

“**Trade Date**” means the date specified as such in the relevant Final Terms.

“**Valuation Date**” means the date or dates specified as such in the relevant Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the

Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Days shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions (i) in the case of Equity Leveraged Certificates, Fund Leveraged Certificates, Commodity Leveraged Certificates, Currency Leveraged Certificates, Debt Leveraged Certificates and Futures Leveraged Certificates, the last reported Reference Valued and (ii) in the case of Index Leveraged Certificates, by determining the Index Level as of the Valuation Time on the last day of the Specified Maximum Days of Disruption in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on the last day of the Specified Maximum Days of Disruption of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on the last day of the Specified Maximum Days of Disruption, its good faith estimate of the value for the relevant security as of the Valuation Time on the last day of the Specified Maximum Days of Disruption), and in each case taking into account such other factors as the Calculation Agent determines to be relevant.

“**Valuation Time**” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to the relevant underlying. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to the provisions concerning Disrupted Days) the Valuation Time shall be such actual closing time.

#### **4 Exercise and Termination; Cash Settlement**

(A) *Exercise*

Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Leveraged Certificates are exercisable on any Exercise Date by delivery of a Notice in accordance with General Leveraged Certificates Condition 5(A) prior to the Exercise Time on an Exercise Date.

(B) *Stop Loss Event*

Following a Stop Loss Event, the Leveraged Certificates will terminate automatically. A Stop Loss Event will override an Issuer Call and/or due Exercise if the Stop Loss Event occurs prior to or on an Issuer Call Date or Scheduled Valuation Date, as the case may be.

(C) *Issuer Call*

The Issuer may terminate, subject to a valid Exercise or a Stop Loss Event, the Leveraged Certificates, in whole but not in part, on any Business Day by giving Certificateholders at least the Issuer Call Notice Period notice of its intention to terminate the Leveraged Certificates, such notice to be given at any time from and including the Issuer Call Commencement Date. Any such notice shall be given in accordance with General Leveraged Certificates Condition 9, and shall specify the Issuer Call Date and Settlement Date.

(D) *Cash Settlement*

Each Leveraged Certificate entitles the Certificateholder, upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event, to receive from the Issuer on the Settlement Date either:

- (i) the Exercise Cash Settlement Amount (as defined in the definition of Cash Settlement Amount), following a valid Exercise;

- (ii) the Stop Loss Cash Settlement Amount (as defined in the definition of Cash Settlement Amount), following a Stop Loss Event; or
- (iii) the Issuer Call Cash Settlement Amount (as defined in the definition of Cash Settlement Amount), following a valid Issuer Call.

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each Leveraged Certificate to the Certificateholder's account for value on the Settlement Date.

*(E) General*

The Calculation Agent shall give notice to the Certificateholders of the Leveraged Certificates, in accordance with General Leveraged Certificates Condition 9, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Leveraged Certificates.

## **5 Exercise Procedure**

*(A) Notice*

Leveraged Certificates may only be exercised by the delivery of a duly completed notice (a "Notice"), in the form set out in the Agency Agreement, to Euroclear Netherlands with a copy to the Issuing and Paying Agent in accordance with the provisions set out in General Leveraged Certificates Condition 4 and this General Leveraged Certificates Condition 5.

The Notice shall (among other things):

- (i) specify the series number of the Leveraged Certificates and the number of Leveraged Certificates being exercised;
- (ii) specify the number of the Certificateholder's account at Euroclear Netherlands to be debited with the Leveraged Certificates being exercised;
- (iii) irrevocably instruct Euroclear Netherlands to debit on or before the Settlement Date the Certificateholder's account with the Leveraged Certificates being exercised;
- (iv) specify the number of the Certificateholder's account at Euroclear Netherlands to be credited with the Cash Settlement Amount (if any) for each Leveraged Certificate being exercised;
- (v) include an undertaking to pay all Expenses and an authority to Euroclear Netherlands to deduct an amount in respect thereof from any Cash Settlement Amount due to such Certificateholder and/or to debit a specified account of the Certificateholder at Euroclear Netherlands in respect thereof and to pay such Expenses; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

*(B) Verification of the Certificateholder*

Upon receipt of a Notice, Euroclear Netherlands shall verify that the person exercising the Leveraged Certificates is the Certificateholder thereof according to the books of Euroclear Netherlands. Subject thereto, Euroclear Netherlands will confirm to the Issuing and Paying Agent the series number and number of Leveraged Certificates being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. Euroclear Netherlands will on or before the Settlement Date debit the account of the relevant Certificateholder with the Leveraged Certificates being exercised. Upon

exercise of less than all the Leveraged Certificates, a depositary or common depositary for the relevant Clearing System will, on the instructions of, and on behalf of, the Issuing and Paying Agent, note such exercise and the number of Leveraged Certificates so constituted shall be reduced by the cancellation *pro tanto* of the Leveraged Certificates so exercised.

(C) *Determinations*

Any determination as to whether a Notice is duly completed and in proper form shall be made by Euroclear Netherlands, in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Certificateholder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent immediately after being delivered or sent to Euroclear Netherlands as provided in paragraph (A) above, shall be null and void.

If such Notice is subsequently corrected to the satisfaction of Euroclear Netherlands in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Notice submitted at the time such correction was delivered to or Euroclear Netherlands and the Issuing and Paying Agent.

Any Leveraged Certificate with respect to which the Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in General Leveraged Certificates Condition 4(A) shall become void. Neither the Issuer nor the Paying Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether a Notice is complete or in proper form or the notification of such determination to a Certificateholder.

(D) *Delivery of a Notice*

Delivery of a Notice shall constitute an irrevocable election by the relevant Certificateholder to exercise the Leveraged Certificates specified. After the delivery of such Notice, such exercising Certificateholder may not transfer such Leveraged Certificates.

(E) *Exercise Risk*

Exercise of the Leveraged Certificates is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer or any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear Netherlands in relation to the performance of its duties in relation to the Leveraged Certificates.

(F) *Minimum and Maximum Number of Leveraged Certificates Exercisable*

The number of Leveraged Certificates exercisable by any Certificateholder on the Exercise Date, as determined by the Issuer, must not be less than one. Any Notice which purports to exercise Leveraged Certificates in breach of this provision shall be void and of no effect. There is no maximum exercisable amount unless otherwise stated in the relevant Final Terms.

## **6 Illegality and Force Majeure**

(A) *Illegality*

In the event that the Issuer determines that in good faith the performance of the Issuer's obligations under the Leveraged Certificates or that any arrangements made to hedge the Issuer's obligations thereunder have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result

of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to the Certificateholders, in accordance with General Leverage Certificates Condition 9 (which notice shall be irrevocable) may, on expiry of such notice, redeem all, but not some only, of the then outstanding Leveraged Certificates, each Leveraged Certificate being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Should any one or more of the provisions contained in these General Leveraged Certificates Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

*(B) Force Majeure*

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Leveraged Certificates and/or any related hedging arrangements, the Issuer may redeem the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 9.

If the Issuer redeems the Leveraged Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9.

## **7 Purchases**

The Issuer and any of its subsidiaries may at any time purchase Leveraged Certificates at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Certificateholders alike. Such Leveraged Certificates may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## **8 Agents, Determinations, Meetings Provisions and Modifications**

*(A) Paying Agents*

The Paying Agents initially appointed by the Issuer and their respective specified addresses are listed on page 397.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that no termination of appointment of the Issuing and Paying Agent shall become effective until a replacement Issuing and Paying Agent shall have been appointed and provided that, so long as any of the Leveraged Certificates are listed or admitted to trading on a stock exchange, there shall be a Paying Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange.

Notice of any termination of appointment and of any changes in the specified office of any Paying Agent shall promptly be given to Certificateholders in accordance with General Leveraged Certificates Condition 9. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the



Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders and any determinations and calculations made in respect of the Leveraged Certificates by any Paying Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Certificateholders.

*(B) Calculation Agent*

In relation to each issue of Leveraged Certificates, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders. All calculations and determinations made in respect of the Leveraged Certificates by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and Certificateholder. Because the Calculation Agent may be the Issuer, or an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Certificateholders, including with respect to certain determinations and judgements that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party, as it deems appropriate.

*(C) Determinations by the Issuer*

Any determination made by the Issuer pursuant to these General Leveraged Certificates Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Paying Agents and the Certificateholders.

*(D) Meetings of Certificateholders*

The Agency Agreement contains provisions for convening meetings of the Certificateholders of Leveraged Certificates to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the General Leveraged Certificates Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Certificateholders. Such a meeting may be convened by the Issuer or Certificateholders holding not less than 5 per cent. (by number) of the Leveraged Certificates for the time being outstanding. The quorum at a meeting of the Certificateholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Leveraged Certificates outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the number of Leveraged Certificates so held or represented. The quorum at a meeting of Certificateholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Leveraged Certificates outstanding or at any adjourned meeting two or more persons being, holding or representing not less than 10 per cent. (by number) of the Leveraged Certificates outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by Certificateholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 100 per cent. (in number) of the Leveraged Certificates outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly

convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.

(E) *Modifications*

The Issuer may modify these General Leveraged Certificates Conditions and/or the Agency Agreement without the consent of the Certificateholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Certificateholders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Certificateholders in accordance with General Leveraged Certificates Condition 9, but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 9 Notices

All notices regarding Leveraged Certificates will be deemed validly given (A) if delivered to Euroclear Netherlands for communication by them to the Certificateholders and (B) for so long as any Leveraged Certificates are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, if such notice is published in the manner required by the rules of that stock exchange (or any other relevant authority). Any such notice will be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

## 10 Expenses and Taxation

- (A) A Certificateholder must pay all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (i) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (ii) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate (“**Leveraged Certificate Expenses**”).
- (B) The Issuer shall deduct from amounts payable or from assets deliverable to Certificateholders all Related Expenses, not previously deducted from amounts paid or assets delivered to Certificateholders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Certificates.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Certificateholders shall be liable to pay the Related Expenses attributable to their Leveraged Certificates.

“**Expenses**” means Leveraged Certificate Expenses and any Related Expenses.

“**Related Expenses**” means (i) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (ii) any other present, future or contingent expenses (including, without limitation, any applicable depository charges, transaction charges, issue, registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Certificates;

- (b) any payment (or delivery of assets) to Certificateholders;
- (c) a person's or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Certificates; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Certificates.

“**Taxes**” means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

## 11 Substitution of the Issuer

- (A) The Issuer or any previous substitute of the Issuer under this General Leveraged Certificates Condition 11 may, and the Certificateholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this General Leveraged Certificates Condition 11 may without any further prior consent of any Certificateholder at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Leveraged Certificates or undertake its obligations in respect of the Leveraged Certificates through any of its branches (any such company or branch, the “**Substitute Obligor**”), in respect of the Leveraged Certificates, provided that:
- (i) such documents shall be executed by the Substitute Obligor and the Issuer or any previous substitute as may be necessary as aforesaid to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Obligor shall undertake in favour of each Certificateholder to be bound by the General Leveraged Certificates Conditions and the provisions of the Agency Agreement as fully as if the Substitute Obligor had been named in the Leveraged Certificates and the Agency Agreement as the principal obligor in respect of the Leveraged Certificates in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee, (the “**Substitution Guarantee**”) in favour of each Certificateholder the performance by the Substitute Obligor of all obligations under the Leveraged Certificates;
  - (ii) the Documents shall contain a warranty and representation by the Substitute Obligor and the Issuer (a) that each of the Substitute Obligor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Obligor, that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Obligor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substitute Obligor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Certificateholder and that, in the case of the Substitute Obligor undertaking its obligations with respect to the Leveraged Certificates through a branch, the Leveraged Certificates remain the valid and binding obligations of such Substitute Obligor;

- (iii) General Leveraged Certificates Condition 13 shall be deemed to be amended so that it shall also be an Event of Default under the said General Leveraged Certificates Condition 13 if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
  - (iv) each stock exchange which has Leveraged Certificates listed or admitted to trading thereon shall have confirmed that following the proposed substitution by the Substitute Obligor such Leveraged Certificates would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
  - (v) the Substitute Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substitute Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substitute Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent;
  - (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent; and
  - (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Substitute Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent.
- (B) In connection with any substitution effected pursuant to this General Leveraged Certificates Condition 11, neither the Issuer nor the Substitute Obligor need have any regard to the consequences of any such substitution for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Certificateholder, except as provided in paragraph (A)(ii) above, shall be entitled to claim from the Issuer or any Substitute Obligor under the Leveraged Certificates any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (C) Upon the Documents becoming valid and binding obligations of the Substitute Obligor and the Issuer, and subject to the notice having been given in accordance with paragraph (E) below, the Substitute Obligor shall be deemed to be named in the Leveraged Certificates as the principal obligor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Leveraged Certificates shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (E) below shall, in the case of the substitution of any other company as principal obligor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal obligor in respect of the Leveraged Certificates.
- (D) The Documents referred to in paragraph (A) above shall be deposited with and held by the Issuing and Paying Agent for so long as any Leveraged Certificates remain outstanding and for so long as any claim made against the Substitute Obligor or the Issuer by any Certificateholder in relation to the

Leveraged Certificates or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Obligor and the Issuer acknowledge the right of every Certificateholder to the production of the Documents for the enforcement of any of the Leveraged Certificates or the Documents.

- (E) Not later than 15 Business Days after the execution of the Documents, the Substitute Obligor shall give notice thereof to the Certificateholders and Euroclear Netherlands in accordance with General Leveraged Certificates Condition 9. A supplement to the Offering Circular concerning the substitution of the Issuer shall be prepared.

## 12 Prescription

Claims against the Issuer for payment of principal or interest in respect of the Leveraged Certificates shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

## 13 Events of Default

If any of the following events (“**Events of Default**”) occurs, the Certificateholder may, by written notice to the Issuer at the specified office of the Euroclear Netherlands Fiscal Agent and the Issuer, declare such Leveraged Certificate to be forthwith due and payable, whereupon the Early Redemption Amount of such Leveraged Certificate together with accrued interest to (but excluding) the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (A) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Leveraged Certificates;
- (B) the Issuer fails to perform or observe any of its other obligations pursuant to the Leveraged Certificates and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;
- (C) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court;
- (D) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Certificateholders) or the Issuer compromises with its creditors generally or such measures are officially decreed;
- (E) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (F) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Certificateholders).

#### **14 Increase and Further Issues**

- (A)* Unless specified otherwise in the relevant Final Terms, the Issuer may, at any time without the consent of the Certificateholders, prior to the Issue Date increase or decrease the aggregate nominal amount of Leveraged Certificates to be issued following the period in which the Leveraged Certificates were offered.
- (B)* Unless specified otherwise in the relevant Final Terms, the Issuer may at any time without the consent of the Certificateholders create and issue further leveraged certificates having terms and conditions the same as the Leveraged Certificates or the same in all respects save for the issue date and/or the issue price and so that the same shall be consolidated and form a single series with the outstanding Leveraged Certificates.

#### **15 Governing Law and Jurisdiction**

- (A)* The Leveraged Certificates and any non-contractual obligations arising out of or in connection with the Leveraged Certificates shall be governed by the laws of the Netherlands.
- (B)* The competent courts of Amsterdam, the Netherlands shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Leveraged Certificates and accordingly any legal action or proceedings arising out of or in connection with any Leveraged Certificates (including a dispute relating to any non-contractual obligations arising out of or in connection with any Leveraged Certificates) (“**Proceedings**”) may be brought in such courts. These submissions are made for the benefit of each of the Certificateholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

## ANNEX 1: TERMS AND CONDITIONS OF EQUITY LEVERAGED CERTIFICATES

*If Equity Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Equity Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Equity Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Equity Leveraged Certificates Conditions, the Equity Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Equity Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Equity Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means Change in Law and/or Insolvency Filing and/or Hedging Disruption and/or Increased Cost of Hedging and/or such other event (if any) specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of the Leveraged Certificates (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of the Equity, or (ii) it will incur a materially increased cost in holding, acquiring or disposing of the Equity and/or performing its obligations under the Leveraged Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Delisting**” means in respect of any Equity that the Exchange announces that pursuant to the rules of such Exchange the Equity has ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and the Equity is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

“**Disrupted Day**” means, in respect of an Equity, any Scheduled Trading Day on which (A) the relevant Exchange fails to open for trading during its regular trading session, (B) any Related Exchange fails to open for trading during its regular trading session or (C) on which a Market Disruption Event has occurred.

“**Early Closure**” means, in respect of the Equity, the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (B) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“**Equity**” means the equity specified as such in the relevant Final Terms.

“**Equity Issuer**” means, in respect of an Equity, the company that has issued such Equity.

“**Exchange**” means, in respect of the Equity, the Exchange specified for the Equity in the Final Terms or otherwise the stock exchange on which the Equity is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system

to which trading in the Equity has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Equity on such successor or substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means, in respect of the Equity, any Scheduled Trading Day on which the Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means, in respect of the Equity, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Equity on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Equity on any Related Exchange.

**“Extraordinary Dividend”** means, in respect of an Equity, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent.

**“Insolvency”** means, in respect of an Equity Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Equity Issuer, (A) all the Equities of such Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) Certificateholders of the Equities of such Equity Issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means, in respect of an Equity, that the Calculation Agent determines that the Equity Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

**“Long Equity Leveraged Certificate”** means a Leveraged Certificate designated as such in the relevant Final Terms.

**“Market Disruption Event”** means the occurrence or existence on any Scheduled Trading Day of (A) a Trading Disruption or (B) an Exchange Disruption or (C) any Additional Market Disruption Event specified in the relevant Final Terms, which in each case the Calculation Agent determines in its sole discretion is material, at any time during the one-hour period that ends at the relevant Valuation Time or (iv) an Early Closure.

**“Merger Date”** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**“Merger Event”** means, in respect of the Equity, any (A) reclassification or change of the Equity that results in a transfer of or an irrevocable commitment to transfer all of the Equities outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding equity exchange of the Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding equity exchange in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of the Equities outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all the Equities (other than such Equities owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding equity exchange of the Equity Issuer or its subsidiaries with or into another entity in which



the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all the Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is on or before the relevant Valuation Date.

“**Nationalisation**” means that all the Equities of an Equity Issuer or all or substantially all the assets of the Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**New Equities**” means ordinary or common equities, whether of the entity or person (other than the relevant Equity Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations.

“**Other Consideration**” means cash and/or any securities (other than New Equities) or assets (whether of the entity or person (other than the relevant Equity Issuer) involved in the Merger Event or a third party).

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of one or more of the Equities specified in the Final Terms (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities to existing Certificateholders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing Certificateholders of one or more of the Equities specified in the Final Terms of (i) such Equities, or (ii) other equity capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Equity Issuer equally or proportionately with such payments to Certificateholders of such Equities, or (iii) equity capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Equity Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or Other Consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an Extraordinary Dividend;
- (D) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) with respect to an Equity Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from equities of common stock or other equities of the capital stock of such Equity Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (G) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Equities.

“**Reference Value**” means the price of the Equity quoted on the Exchange.

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

“**Reverse Merger**” has the meaning ascribed to it in the definition of Merger Event.

“**Scheduled Trading Day**” means, in respect of an Equity, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“**Short Equity Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Tender Offer**” means, in respect of the Equity, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting equities of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting equities in an amount determined by the Issuer are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“**Trading Disruption**” means, in respect of the Equity, any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (A) relating to such Equity on such Exchange, or (B) in futures or options contracts relating to the Equity on a Related Exchange.

## 2 Adjustments, Consequences of Certain Events and Currency

### (A) *Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances, notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Equity Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 9.

### (B) *Adjustments*

Following the declaration by the Equity Issuer of the terms of any Potential Adjustment Event in respect of the Equity or that there has been an adjustment to the settlement terms of options on the Equity traded on such exchange(s) or quotation systems(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the

Equity and, if so, will (i) request the Issuer to make the corresponding adjustment(s), if any, to any of the Equity Leveraged Certificates Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (ii) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an Options Exchange to options on the Equity traded on such Options Exchange. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

*(C) Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of the Equity, the Issuer may:

- (i) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 9. If the Leveraged Certificates are so cancelled, the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it, which amount shall be the fair market value of a Leveraged Certificate taking into account the Merger Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9;
- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Leveraged Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Leveraged Certificates of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Equity or to the Leveraged Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Equity traded on such options exchange and determine the effective date of that adjustment; and/or
- (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Equities and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant “Equities” and the relevant “Equity Issuer”, respectively, and, if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant Equity Leveraged Certificates Conditions as it may determine.

The Issuer shall give notice of such cancellation, adjustment or deemed change to Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(D) Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of the Equity, then on or after the relevant Tender Offer Date the Issuer may:

- (i) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 9. If the Leveraged Certificates are so cancelled, the

Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it, which amount shall be the fair market value of a Leveraged Certificate taking into account the Tender Offer less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9; or

- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Leveraged Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Leveraged Certificates of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Equities or to the Leveraged Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Equity traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such cancellation or adjustment to Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(E) Nationalisation, Insolvency or Delisting*

If in respect of the Equity or an Equity Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a Delisting, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the Equity Leveraged Certificates Conditions to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) cancel the Leveraged Certificates. If the Leveraged Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it which amount shall be the fair market value of a Leveraged Certificate taking into account the Nationalisation, Insolvency or Delisting (as the case may be), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9.

The Issuer shall give notice of such cancellation, adjustment or determination to Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(F) Change of Exchange*

If an Exchange is changed, the Issuer may make such consequential modifications to the Entitlement and such other Equity Leveraged Certificates Conditions as it may deem necessary.

*(G) Price Correction*

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Leveraged Certificates is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent has the right, but not the obligation,

to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the Equity Leveraged Certificates Conditions to account for such correction.

*(H) Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any Equity Leveraged Certificates Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Equity Leveraged Certificates Conditions as it deems necessary.

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

*(I) Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, redeem the Leveraged Certificates early and pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder which amount shall be the Early Redemption Amount as at the date of payment taking into account the Additional Market Disruption Event.

The Issuer shall give notice of any determination pursuant to this General Leveraged Certificates Condition 8 to Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(J) Change in Currencies*

If, at any time after the Issue Date of the Leveraged Certificates, there is any change in the currency in which the Equity is quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the Equity Leveraged Certificates Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Leveraged Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Leveraged Certificates.

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

## ANNEX 2: TERMS AND CONDITIONS OF FUND LEVERAGED CERTIFICATES

*If Fund Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Fund Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Fund Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Fund Leveraged Certificates Conditions, the Fund Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Fund Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Fund Leveraged Certificates Conditions, the following definitions will apply:

“**Disrupted Day**” means, in respect of the Fund, any Business Day on which a Market Disruption Event has occurred.

“**Fund**” means the entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the relevant Final Terms.

“**Fund Interest**” means a unit, equity, partnership interest, or other similar direct interest in a Fund that entitles the holder of such interest to a share in the net assets of that Fund, as specified as such in the relevant Final Terms.

“**Fund Manager**” means (A) the person specified as such in the relevant Final Terms or (B) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests.

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

“**Hedge Counterparty**” means any party to a contract with the Issuer or any of its Affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

“**Investing Entity**” means the Issuer, any Affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes for Fund Interests and references in the Fund Leveraged Certificates Conditions to an Investing Entity are to any such entity acting in that capacity.

“**Market Disruption Event**” means, in respect of a Business Day, the occurrence or continuation, as determined by the Calculation Agent, of:

- (A) a failure or postponement that is, in the determination of the Calculation Agent, material by the Fund and/or a Fund Manager to publish the Reference Value in respect of that Business Day (provided that such Business Day is a day for which such official net asset value is scheduled to be published); or
- (B) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Business Day (provided that such Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or

- (C) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules); or
- (D) the failure of trading to commence, or the permanent discontinuation of trading, of the Fund; or
- (E) the material limitation imposed on trading in the Fund with respect to it or any contract with respect to it on any principal trading market; or
- (F) any other event similar to any of the above which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Leveraged Certificates.

“**Reference Asset Price**” means, (A) if specified as “**NAV**” in the relevant Final Terms, the net asset value of the Fund as quoted by the Fund Manager for any Scheduled Trading Day, and (B) if specified as “**Trading Price**” in the relevant Final Terms, the trading price of the Fund as quoted by the Fund Manager for any Scheduled Trading Day.

“**Reference Value**” means the Reference Asset Price.

“**Scheduled Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which subscription or redemption of Fund Interests takes place (without giving effect to any gating, deferral, suspension or other similar provision to delay or refuse a duly completed and timely submitted request to redeem Fund Interests on such day).

## 2 Adjustments, Consequences of Certain Events and Currency

### (A) *Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Fund Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

### (B) *Fund Adjustment Event*

Following a Fund Adjustment Event, the Calculation Agent will determine the effect of such Fund Adjustment Event, and shall as soon as reasonably practicable under the circumstances, notify the Issuer of such occurrence and adjustment the Calculation Agent will make to the Fund and/or the Final Reference Price and/or the Termination Reference Price and/or the Stop Loss Termination Reference Price or any other terms of the product as the Calculation Agent sees fit. Such adjustment may include but is not limited to the postponement of the calculation of the Final Reference Price, Termination Reference Price or the Stop Loss Termination Reference Price or the exclusion or replacement of the Fund to account for such event and determine the effective date of that adjustment.

“**Fund Adjustment Event**” means:

- (i) “**Audit Event**”: the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;
- (ii) “**Charging Change**”: the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in

addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;

- (iii) “**Corporate Event**”: a declaration by or on behalf of a Fund of:
  - (a) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests;
  - (b) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or
  - (c) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;
- (iv) “**Cross-contamination**”: any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;
- (v) “**Currency Change**”: the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules;
- (vi) “**Dealing Restriction**”: any dealing restrictions (and/or amendments to relevant documentation) related to a Fund and/or transactions by its relevant Fund Manager, Affiliate, agent or intermediary platform through which the Calculation Agent may contract (via a trading agreement or other ancillary document) in order to carry out such transactions;
- (vii) “**Fund Accounting Event**”: any changes in the accounting principles or policies applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (viii) “**Fund Bankruptcy**”: the Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Manager is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law or the Fund is subject to any fraud;
- (ix) “**Fund Constitution Breach**”: any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (x) “**Fund Constitution Change**”: any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (xi) “**Fund Licence Event**”: the withdrawal, suspension, cancellation or modification of any licence, consent, permit, authorisation or clearance required for the Fund or its Fund Manager to carry out their activities as they are or should be carried out in accordance with the constitutive documents for such Fund as of the Issue Date;
- (xii) “**Fund Regulatory Event**”: any changes in the regulatory treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xiii) “**Fund Rules Breach**”: any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;



- (xiv) “**Fund Strategy Breach**”: any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (xv) “**Fund Strategy Change**”: any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (xvi) “**Fund Tax Event**”: any changes in the tax treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xvii) “**Hedging Event**”: the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Leveraged Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;
- (xviii) “**Investor Tax Event**”: any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;
- (xix) “**Litigation Event**”: the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;
- (xx) “**Management Change**”: the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;
- (xxi) “**Mandatory Disposal**”: any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;
- (xxii) “**Market Event**”: any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered;
- (xxiii) “**NAV Suspension**”: suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;
- (xxiv) “**Performance Failure**”: any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;
- (xxv) “**Potential Regulatory Event**”: an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrongdoing, alleged breach of any rule or regulation, or other similar reason;

- (xxvi) “**Redemption Failure**”: a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;
- (xxvii) “**Regulatory Event**”: the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;
- (xxviii) “**Subscription/Redemption Alteration**”: any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;
- (xxix) “**Subscription/Redemption Restriction**”: any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or
- (xxx) “**Transfer Restriction**”: suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules; or
- (xxxi) “**Other Event**”: any other event, whether similar or not to any of the above: (a) which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Leveraged Certificates and/or hedge its obligations hereunder or unwind a hedge of its obligations hereunder and/or carry out any and all transactions in respect of the Fund for the purpose of the Leveraged Certificates; (b) where the Calculation Agent is unable to acquire or dispose of shares of a Fund; (c) where there is any default in payment(s) for any amounts owing to the Calculation Agent for the redemption of shares of a Fund by the Fund Manager or any party responsible for making payments in respect of redemption.

### ANNEX 3: TERMS AND CONDITIONS OF INDEX LEVERAGED CERTIFICATES

*If Index Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Index Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Index Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Index Leveraged Certificates Conditions, the Index Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Index Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1 Definitions

For the purposes of these Index Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means a Change in Law and/or Hedging Disruption and/or Increased Cost of Hedging and/or such other event (if any) specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date (or as otherwise set forth in the Final Terms) due to (A) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it will incur a materially increased cost in performing its obligations under the Leveraged Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Disrupted Day**” means, in respect of the Index, any Scheduled Trading Day on which (A) if “Multi-Exchange Index” is specified in the Final Terms, the Index Sponsor fails to publish the level of the Index or, if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, the Exchange fails to open for trading during its regular trading session, (B) any Related Exchange fails to open for trading during its regular trading session or (C) on which a Market Disruption Event has occurred.

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

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

“**Exchange Business Day**” means, in respect of the Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions,

notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of the Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, (i) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any security comprised in the Index on any relevant Exchange and (ii) if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, securities that comprise 20 per cent. or more of the level of the Index on the relevant Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

“**Index**” means the index specified as such in the Final Terms or any Successor Index.

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

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

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

“**Index Modification**” means, in respect of the Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events).

“**Index Sponsor**” means, in respect of the Index, either (A) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (B) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

“**Long Index Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Market Disruption Event**” means the occurrence or existence on any Scheduled Trading Day of (A) a Trading Disruption or (B) an Exchange Disruption or (C) any Additional Market Disruption Event specified in the relevant Final Terms, which in each case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (D) an Early Closure, provided that, if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, the securities included in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the

level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“**Reference Value**” means the Index Level.

“**Related Exchange**” means, in respect of the Index, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index or such other options or futures exchange(s) as the Calculation Agent may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“**Scheduled Trading Day**” means, in respect of the Index, (A) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (B) if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“**Short Index Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Successor Index**” means, in respect of the Index, where the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

“**Trading Disruption**” means, in respect of the Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (A) if “Multi-Exchange Index” is specified in relation to the Index in the Final Terms, on any Exchange(s) relating to any security comprised in the Index or, if “Non Multi-Exchange Index” is specified in relation to the Index in the Final Terms, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (B) in futures or options contracts relating to the Index on any Related Exchange.

## **2 Adjustments, Consequences of Certain Events and Currency**

### *(A) Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances, notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Index Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

(B) *Index Modification, Index Cancellation and/or Index Disruption*

If the Calculation Agent determines that, in respect of the Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to any Index Leveraged Certificates Conditions, the Issuer may make any adjustment or adjustments to the Index Leveraged Certificates Conditions as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

(C) *Change of Exchange*

If an Exchange is changed, the Issuer may make such consequential modifications to the Index Leveraged Certificates Conditions as it may deem necessary.

(D) *Price Correction*

In the event that any price or level published on the Exchange or by the Index Sponsor in respect of the Index and which is utilised for any calculation or determination made under the Leveraged Certificates is subsequently corrected and the correction is published by the Exchange or the Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the Index Leveraged Certificates Conditions to account for such correction.

(E) *Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Index Leveraged Certificates Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Index Leveraged Certificates Conditions as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

(F) *Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 9.

### **3 Index Disclaimer**

The Leveraged Certificates are not sponsored, endorsed, sold or promoted by the Index or of the Index Sponsor and the Index Sponsor has not made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in

negligence or otherwise) to any person for any error in the Index and the Index Sponsor is not under any obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Leveraged Certificates. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or of the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information.

Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

## ANNEX 4: TERMS AND CONDITIONS OF COMMODITY LEVERAGED CERTIFICATES

*If Commodity Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Commodity Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “Commodity Leveraged Certificates Conditions”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Commodity Leveraged Certificates Conditions, the Commodity Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Commodity Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Commodity Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means a Change in Law and/or Hedging Disruption and/or Increased Cost of Hedging and/or such other event (if any) specified in the Final Terms.

“**Change in Law**” means that on or after the Trade Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (i) it has become illegal for the Issuer to hold, acquire or dispose of any of the Commodity and/or Futures Contract, or (ii) the Issuer will incur a materially increased cost in holding, acquiring or disposing of any of the Commodity and/or the Futures Contract and/or performing its obligations under the Leveraged Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Commodity**” means the commodity specified as such in the relevant Final Terms, subject to Commodity Leveraged Certificate Condition 2.

“**Commodity Business Day**” means (A) in respect of the Commodity (provided the Commodity is not bullion) if the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and (B) in respect of the Commodity (provided the Commodity is not bullion) if the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

“**Commodity Reference Price**” means the reference price for the Commodity specified in the Final Terms.

“**De Minimis Trading**” means the number of contracts traded on the Exchange with respect to the Commodity is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Commodity has been impaired due to a lack of, or a material reduction in, trading in the Commodity on the Exchange.

“**Delivery Date**” means the date specified as such in the relevant Final Terms.

“**Disappearance of Commodity Reference Price**” means, in respect of a Relevant Commodity Price, (A) the permanent discontinuation of trading in the Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the Commodity; or (C) the disappearance or permanent discontinuance or unavailability of



the relevant Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

“**Disrupted Day**” means, in respect of the Commodity, any Scheduled Trading Day on which a Market Disruption Event has occurred.

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

“**Exchange**” means, in respect of the Commodity, the exchange or principal trading market specified in the relevant Final Terms.

“**Exchange Business Day**” means, in respect of the Commodity, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“**Futures Contract**” means, in respect of any Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price (if any) and thereafter a financially equivalent futures contract (the “**Substitute Futures Contract**”) selected by the Issuer. On the Rollover Date, the Issuer shall make its selection of the Substitute Futures Contract and on such date the Issuer shall, during Trading Hours, effect substitution of the Futures Contract for the Substitute Futures Contract at the Rollover Spread and thereafter the Substitute Futures Contract shall for all purposes be the Futures Contract.

“**Market Disruption Event**” means the occurrence, with respect to the Commodity, of (A) a Price Source Disruption, a Trading Disruption, a Disappearance of Commodity Reference Price, a Tax Disruption, a Material Change in Content or a Material Change in Formula, an Early Closure, De Minimis Trading or a Moratorium if so specified in the Final Terms or (B) any Additional Market Disruption Event specified in the relevant Final Terms.

“**Material Change in Content**” means the occurrence since the Issue Date of a material change in the content, composition or constitution of the Commodity or relevant Futures Contract.

“**Material Change in Formula**” means the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

“**Moratorium**” means a general moratorium is declared in respect of banking activities in the county in which the Exchange or Related Exchange is located.

“**Price Source**” means, in respect of the Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price.

“**Price Source Disruption**” means, in respect of the Commodity, (A) the failure of the relevant Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price of the Commodity) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

“**Reference Value**” means the Relevant Commodity Price.

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures or other derivatives contracts on the Commodity are traded.

“**Relevant Commodity Price**” means the price determined on any day for the specified Commodity Reference Price.

“**Rollover Date**” means the date specified as such in the relevant Final Terms.

“**Rollover Spread**” means the fair value spread calculated as the price determined by the Issuer for liquidating its related hedging arrangements for the Futures Contract minus the price determined by the Issuer for establishing its related hedging arrangements for the Substitute Futures Contract during the substitution of the Futures Contract for the Substitute Futures Contract by reference to liquidity in the Futures Contract and the Substitute Futures Contract. The Rollover Spread may be a negative number.

“**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“**Short Commodity Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices specified in the relevant Final Terms (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the Final Terms.

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the Commodity or Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Commodity Reference Price on the Valuation Date and/or on each of the three Scheduled Trading Days following the Valuation Date and/or during the Stop Loss Termination Valuation Period from what it would have been without that imposition, change or removal.

“**Trading Disruption**” means, in respect of the Commodity, the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or such Commodity on the relevant Exchange.

“**Trading Hours**” means as regards each Exchange its regular scheduled opening hours on each Scheduled Trading Day.

## **2 Adjustments, Consequences of Certain Events and Currency**

### *(A) Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Commodity Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

(B) *Corrections*

If the Calculation Agent determines in respect of any Relevant Commodity Price, that the price published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Leveraged Certificates is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days (or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any adjustment to the Commodity Leveraged Certificates Conditions is required to account for such correction. If the Calculation Agent determines that an adjustment to the Commodity Leveraged Certificates Conditions is required, the Issuer may as soon as reasonably practicable adjust the Commodity Leveraged Certificates Conditions to account for such correction.

(C) *Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Commodity Leveraged Certificates Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Commodity Leveraged Certificates Conditions as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

(D) *Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder, which shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 9.

(E) *Change in Currency*

If, at any time after the Issue Date, there is any change in the currency in which the Commodity is quoted, listed and/or dealt on the relevant Price Source and/or Exchange, then the Issuer will adjust such of the Commodity Leveraged Certificates Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Leveraged Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Leveraged Certificates.

## ANNEX 5: TERMS AND CONDITIONS OF CURRENCY LEVERAGED CERTIFICATES

*If Currency Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Currency Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Currency Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Currency Leveraged Certificates Conditions, the Currency Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Currency Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Currency Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means such event (if any) specified in the relevant Final Terms.

“**Funding Cost**” means, subject to adjustment in accordance with Currency Leveraged Certificate Condition 2, an amount, as determined by the Calculation Agent, equal to:

(A) in the case of a Long Currency Leveraged Certificate:

the Current Financing Level on the previous Reset Date; multiplied by (i) Prevailing Rate for the Financing Level Currency multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency; minus (ii) Prevailing Rate for the Underlying Currency (or if no Underlying Currency is so specified in the relevant Final Terms, the Settlement Currency) multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Underlying Currency (or if no Underlying Currency is so specified in the relevant Final Terms, the Settlement Currency); plus (iii) Current Spread multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Settlement Currency; or

(B) in the case of a Short Currency Leveraged Certificate:

the Current Financing Level on the previous Reset Date; multiplied by (i) Prevailing Rate for the Underlying Currency (or if no Underlying Currency is so specified in the relevant Final Terms, the Settlement Currency) multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Underlying Currency (or if no Underlying Currency is so specified in the relevant Final Terms, the Settlement Currency); minus (ii) Prevailing Rate for the Financing Level Currency multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency; minus (iii) Current Spread multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Settlement Currency.

The Funding Cost may be a negative number.

“**General Inconvertibility**” means the occurrence of any event that generally makes it impossible to convert the currencies in the Underlying FX Rate through customary legal channels for conducting such conversion in the principal financial centre of the Financing Level Currency.

“**General Non-Transferability**” means the occurrence of any event that generally makes it impossible to deliver the Financing Level Currency (*A*) from accounts in the country of the principal financing centre of the Financing Level Currency or (*B*) between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction.

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality, thereof, court, tribunal, administrative or other governmental authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country or countries of the principal financial centre of the Financing Level Currency.

“**Reference Debtor**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other Governmental Authority) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country of the principal financial centre of either of the currencies in the Underlying FX Rate.

“**Reference Debtor Default**” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Reference Debtor, the occurrence of a default, event of default or other similar condition or event (howsoever described), including, but not limited to, (*A*) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (*B*) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such security, indebtedness for borrowed money or guarantee or (*C*) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Reference Debtor to issue or enter into such security, indebtedness for money borrowed or guarantee.

“**Illiquidity**” means it becomes impossible to obtain a firm quote for the Underlying FX Rate or the Financing Level Currency for an amount which the Issuer considers necessary to discharge its obligations under the Leveraged Certificates.

“**Inconvertibility/Non-Transferability**” means the occurrence of any event which constitutes a General Inconvertibility Market Disruption Event, a General Non-Transferability Market Disruption Event, a Specific Inconvertibility Market Disruption Event and a Specific Non-Transferability Market Disruption Event.

“**Long Currency Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Market Disruption Event**” means the occurrence, with respect to the Underlying FX Rate, of (*A*) a General Inconvertibility, a General Non-Transferability, a Reference Debtor Default, an Illiquidity, an Inconvertibility/Non-Transferability, a Material Change in Circumstances, a Nationalisation, a Price Source Disruption, a Specific Inconvertibility and a Specific Non-Transferability if so specified in the Final Terms or (*B*) such other event as may be specified in the Final Terms or (*C*) any Additional Market Disruption Event specified in the relevant Final Terms.

“**Material Change in Circumstances**” means the occurrence of any event (other than those events specified as Market Disruption Events in the Final Terms) beyond the control of the Issuer which could make it impracticable or impossible for it to perform its obligations under the Leveraged Certificates.

“**Nationalisation**” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or its Affiliates), of all or substantially all of its assets in the country of the principal financial centre of the Financing Level Currency.

“**Price Source Disruption**” means it becomes impossible to obtain the Underlying FX Rate on the Valuation Date, the Issuer Call Date or the Stop Loss Termination Valuation Date, as applicable, in the interbank market.

“**Reference Value**” means Underlying FX Rate.

“**Relevant Number of Days**” means the number of days, if any, specified as such in the relevant Final Terms.

“**Relevant Screen Page**” means as specified in the relevant Final Terms.

“**Short Currency Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Specific Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert the currencies in the Underlying FX Rate other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Specific Non-Transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver the Financing Level Currency (*A*) from accounts in the country of the principal financing centre of the Financing Level Currency or (*B*) between accounts in such jurisdiction or to a party that is a non-resident of such jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Scheduled Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which trading in the relevant Underlying FX Rate takes place.

“**Underlying Currency**” means the currency specified as such in the relevant Final Terms, or, if no such currency is so specified, shall not be applicable.

“**Underlying FX Rate**” means the rate specified as such in the relevant Final Terms.

## 2 Adjustments, Consequences of Certain Events and Currency

### (A) *Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances, notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Currency Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

### (B) *Corrections*

If the Calculation Agent determines, in respect of the Underlying FX Rate, that the rate published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Leveraged Certificates is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days (or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any

adjustment to the Currency Leveraged Certificates Conditions is required to account for such correction. If the Calculation Agent determines that an adjustment to the Currency Leveraged Certificates Conditions is required, the Issuer may as soon as reasonably practicable adjust the Currency Leveraged Certificates Conditions to account for such correction.

*(C) Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Currency Leveraged Certificates Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Currency Leveraged Certificates Conditions as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

*(D) Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any cancellation of the Leveraged Certificates or determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 9.

## ANNEX 6: TERMS AND CONDITIONS OF DEBT LEVERAGED CERTIFICATES

*If Debt Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Debt Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Debt Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Debt Leveraged Certificates Conditions, the Debt Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Debt Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Debt Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means such event (if any) specified in the relevant Final Terms.

“**De Minimis Trading**” means the number of contracts traded on the Exchange with respect to the Reference Asset is such that the Issuer declares that its ability to enter into hedging transactions with respect to the Reference Asset has been impaired due to a lack of, or a material reduction in, trading in the Reference Asset on the Exchange.

“**Disappearance of Reference Asset Price**” means, in respect of the Reference Asset, the permanent discontinuation of trading in the Reference Asset on the relevant Exchange.

“**Disrupted Day**” means, in respect of the Reference Asset, any Scheduled Trading Day on which a Market Disruption Event has occurred.

“**Early Closure**” means, in respect of the Reference Asset, the closure on any Exchange Business Day of the Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time(s) unless such earlier closing time(s) is/are announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange(s) or Related Exchange(s) system(s) for execution at the Valuation Time on an Exchange Business Day.

“**Exchange**” means the exchange or quotation system specified as such in the relevant Final Terms or any successor to such exchange or quotation system.

“**Exchange Business Day**” means, in respect of the Reference Asset, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“**Long Debt Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Market Disruption Event**” means the occurrence, with respect to the Reference Asset, of (A) a Price Source Disruption, a Trading Disruption, a Disappearance of Reference Asset Price, a Tax Disruption, a Material Change in Content or a Material Change in Formula, an Early Closure, a Reference Debtor Default, Nationalisation, De Minimis Trading or a Moratorium if so specified in the Final Terms or (B) any Additional Market Disruption Event specified in the relevant Final Terms.

“**Material Change in Content**” means the occurrence since the Issue Date of a material change in the content or composition of the Reference Asset.



“**Material Change in Formula**” means the occurrence since the Issue Date of a material change in the basis for (including but not limited to the quantity, quality or currency) or method of calculating the Reference Asset Price.

“**Moratorium**” means a general moratorium is declared in respect of banking activities in the country in which the Exchange or Related Exchange is located.

“**Nationalisation**” means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its Affiliates), of all or substantially all of its assets in the country of the Governmental Authority.

“**Price Source Disruption**” means, in respect of the Reference Asset: (A) the failure by the Exchange to announce or publish the Reference Asset Price (or the information necessary for determining such price); or (B) the temporary or permanent discontinuance or unavailability of such price by the Exchange on the Valuation Date, the Issuer Call Date or during the Stop Loss Termination Valuation Period.

“**Reference Asset**” means the Reference Asset as of the Trade Date specified as such in the relevant Final Terms, and thereafter a financially equivalent reference asset (the “**Substitute Asset**”) selected by the Issuer. On the Rollover Date specified in the Final Terms, the Issuer shall make its selection of the Substitute Asset and on such date the Issuer, shall, during Trading Hours, effect substitution of the Reference Asset for the Substitute Asset at the Rollover Spread and thereafter the Substitute Asset shall for all purposes be the Reference Asset.

“**Reference Asset Price**” means the current price of the Reference Asset.

“**Reference Debtor**” means any *de facto* or *de jure* government (or agency or instrumentality thereof, court, tribunal, administrative or other Reference Debtor) or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the country to which the Reference Asset is in fact referenced.

“**Reference Debtor Default**” means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Reference Debtor, the occurrence of a default, event of default or other similar condition or event (howsoever described) including, but not limited to, (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such security, indebtedness for borrowed money or guarantee or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for money borrowed or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Reference Debtor to issue or enter into such security, indebtedness for money borrowed or guarantee.

“**Reference Value**” means the Reference Asset Price.

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures or other derivatives contracts on the Reference Asset are traded.

“**Rollover Date**” means the date specified as such in the relevant Final Terms.

“**Rollover Spread**” means the fair value spread calculated as the price determined by the Issuer for liquidating its related hedging arrangements for the Reference Asset minus the price determined by the Issuer for establishing its related hedging arrangements for the Substitute Asset during the substitution of the

Reference Asset for the Substitute Asset by reference to liquidity in the Reference Asset and the Substitute Asset. The Rollover Spread may be a negative number.

“**Scheduled Trading Day**” means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“**Short Debt Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the Reference Asset (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Reference Asset Price on the Valuation Date and/or on each of the three Scheduled Trading Days following the Valuation Date and/or during the Stop Loss Termination Valuation Period from what it would have been without that imposition, change or removal.

“**Trading Disruption**” means, in respect of the Reference Asset, the material suspension of, or the material limitation imposed on, trading in the Reference Asset on the Exchange or Related Exchange.

“**Trading Hours**” means, as regards each Exchange, its regular scheduled opening hours on each Scheduled Trading Day.

## **2 Adjustments, Consequences of Certain Events and Currency**

### *(A) Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances, notify the Certificateholders in accordance with General Leveraged Certificates Condition 9 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the Debt Leveraged Certificates Conditions in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

### *(B) Corrections*

If the Calculation Agent determines in respect of any Reference Asset Price that the price published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Leveraged Certificates is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days (or such other period specified in the Final Terms) after the original publication or announcement, the Calculation Agent has the right, but not the obligation, to determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and whether any adjustment to the Debt Leveraged Certificates Conditions is required to account for such correction. If the Calculation Agent determines that an adjustment to the Debt Leveraged Certificates Conditions is required, the Issuer may as soon as reasonably practicable adjust the Debt Leveraged Certificates Conditions to account for such correction.

### *(C) Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Debt Leveraged Certificates Conditions

(including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Debt Leveraged Certificates Conditions as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

*(D) Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(E) Change in Currency*

If, at any time after the Issue Date, there is any change in the currency in which the Reference Asset is quoted, listed and/or dealt on the relevant Price Source and/or Exchange, then the Issuer will adjust such of the Debt Leveraged Certificates Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Leveraged Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Leveraged Certificates.

## ANNEX 7: TERMS AND CONDITIONS OF FUTURES LEVERAGED CERTIFICATES

*If Futures Leveraged Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Futures Leveraged Certificates shall comprise the General Leveraged Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Futures Leveraged Certificates Conditions**”). In the event of any inconsistency between the General Leveraged Certificates Conditions and the Futures Leveraged Certificates Conditions, the Futures Leveraged Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Futures Leveraged Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Futures Leveraged Certificates Conditions, the following definitions will apply:

“**Additional Market Disruption Event**” means a Change in Law and/or Hedging Disruption and/or Increased Cost of Hedging and/or any such other event (if any) specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of the Leveraged Certificates (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of the Futures, or (ii) it will incur a materially increased cost in holding, acquiring or disposing of the Futures and/or performing its obligations under the Leveraged Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Delisting**” means that the relevant Exchange announces that pursuant to its rules the Future has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason and the Future is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Early Closure**” means, in respect of a Future, the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into such Exchange(s) for execution at the Valuation Time on such Exchange Business Day.

“**Exchange**” means, in relation to a Future, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange is open for trading during its regular trading sessions, notwithstanding such relevant Exchange or any Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of a Future, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange.

“**Futures**” means, subject to adjustments in accordance with this Annex 7, in the case of an issue of Leveraged Certificates relating to a single Future, the “**Futures Contract**” specified in the relevant Final Terms, and related expressions shall be construed accordingly.

“**Long Futures Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Market Disruption Event**” means the occurrence or existence on any Scheduled Trading Day of (A) a Trading Disruption or (B) an Exchange Disruption or (C) any Additional Market Disruption Event specified in the relevant Final Terms, which in each case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (D) an Early Closure.

“**Reference Value**” means the price of the Future on the Exchange.

“**Scheduled Trading Day**” means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading for its regular trading sessions.

“**Short Futures Leveraged Certificate**” means a Leveraged Certificate designated as such in the relevant Final Terms.

“**Trading Disruption**” means, in respect of the Future, any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to such Future on such Exchange.

## 2 Adjustments

### (A) *Futures Modification, Futures Replacement or Futures Delisting*

If, on or prior to the last Valuation Date, (i) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a “**Futures Modification**”), (ii) the relevant Exchange substitutes the Future(s) with a new Future(s) contract (a “**Futures Replacement**”) or (iii) the relevant Exchange announces that the Future(s) ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a “**Futures Delisting**”) and, together with a Futures Modification and a Futures Replacement, each a “**Futures Adjustment Event**”), then:

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Leveraged Certificates and, if so, shall use the Future(s) so modified or substitute Future(s) in lieu of the initial Future(s) for the purpose of making a determination under the Leveraged Certificates; or
- (ii) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 11. If the Leveraged Certificates are so cancelled, the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it, which amount shall be the fair market value of a Leveraged Certificate or a Unit, as

the case may be, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 9.

*(B) Notice*

The Calculation Agent shall, as soon as practicable, notify the Issuer and Certificateholders of any determination made by it pursuant to paragraph A above and the action proposed to be taken in relation thereto and the Calculation Agent shall make available copies of any such determinations for inspection by Certificateholders.

### **3 Change of Exchange**

If an Exchange is changed, the Issuer may make such consequential modifications to the Entitlement and such other Futures Leveraged Certificates Conditions as it may deem necessary.

### **4 Price Correction**

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Leveraged Certificates is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the Futures Leveraged Certificates Conditions to account for such correction.

### **5 Currency**

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any Futures Leveraged Certificates Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Futures Leveraged Certificates Conditions as it deems necessary.

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

### **6 Additional Market Disruption Events**

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such Certificateholder which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of payment taking into account the Additional Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions.

The Issuer shall give notice of any determination pursuant to this paragraph to Certificateholders in accordance with General Leveraged Certificates Condition 9.

## **7 Change in Currencies**

If, at any time after the Issue Date of the Leveraged Certificates, there is any change in the currency in which the Future is quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the Futures Leveraged Certificates Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Leveraged Certificates. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Leveraged Certificates.

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 9.

## FORM OF FINAL TERMS FOR LEVERAGED CERTIFICATES

*(Set out below is the form of Final Terms which will be completed for each issue of Leveraged Certificates issued under the Programme.)*

### FINAL TERMS

**DATED [●]**

#### **RABOBANK STRUCTURED PRODUCTS**

**Issue of [Aggregate Amount of Tranche] [Title of Leveraged Certificates] (the “Leveraged Certificates”)  
issued pursuant to the Leveraged Certificates, Warrants and Certificates Programme**

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

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

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

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Leveraged Certificates in any other circumstances].<sup>5</sup>

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Leveraged Certificates in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Leveraged Certificates. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Leveraged Certificates may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Leveraged Certificates in any other circumstances.]<sup>6</sup>

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<sup>5</sup> Consider including this legend where a non-exempt offer of the Leveraged Certificates is anticipated.

<sup>6</sup> Consider including this legend where only an exempt offer of the Leveraged Certificates is anticipated.



## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 27 October 2010[ and the offering circular supplement dated [●]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Leveraged Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular[, as so supplemented]. Full information on the Issuer and the offer of the Leveraged Certificates is only available on the basis of the combination of these Final Terms and the Offering Circular[, as so supplemented]. The Leveraged Certificates will be issued on the terms of these Final Terms read together with the Offering Circular[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Circular[, as so supplemented], contains all information that is material in the context of the issue of the Leveraged Certificates. The Offering Circular [and the offering circular supplement ] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International. Copies of the Offering Circular may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: [ir@rabobank.com](mailto:ir@rabobank.com); Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).

*(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 14) was issued under an Offering Circular with an earlier date)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in Section A, Parts 1 and 2 of the Offering Circular dated [original date][ and the offering circular supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Offering Circular dated 27 October 2010. This document constitutes the Final Terms of the Leveraged Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated 27 October 2010[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Leveraged Certificates is only available on the basis of the combination of these Final Terms, the Offering Circular dated 27 October 2010[, as so supplemented] and the Conditions. The Offering Circular [and the offering circular supplement ] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: [ir@rabobank.com](mailto:ir@rabobank.com); Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).]

References herein to numbered Conditions are to the Terms and Conditions of the Leveraged Certificates.

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

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

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

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

[A [Dutch][French][specify other] language description of the principal terms of the Leveraged Certificates is contained in Annex I hereto.]

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

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

## **GENERAL DESCRIPTION OF THE LEVERAGED CERTIFICATES**

- |    |  |  |
|----|--|--|
| 1  | Issuer:  | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.<br>(Rabobank Structured Products)   |
| 2  | (a) Series number:   | [●]  |
|    | (b) Tranche:   | [●]  |
|    | (c) Whether or not the Leveraged Certificates are to be consolidated and form a single series with the Leveraged Certificates of an existing series: | [●]<br><i>(If fungible with an existing issue, details of that issue, including the date on which the Leveraged Certificates became fungible)</i>  |
| 3  | (a) The type of Leveraged Certificate which may be:  | [Index Leveraged Certificates]/[Equity Leveraged Certificates]/[Currency Leveraged Certificates]/[Commodity/Leveraged Certificates]/[Fund Leveraged Certificates]/[Debt Leveraged Certificates]/[Futures Leveraged Certificates] <i>(Delete as applicable)</i> |
|    | (b) Whether such Leveraged Certificates are Long or Short Leveraged Certificates:  | [Short]/[Long]<br><i>(for Fund Leveraged Certificates will be Long only)<br/>(Delete as applicable)</i>  |
| 4  | Number of Leveraged Certificates being issued:   | [●]  |
| 5  | Issue price per Leveraged Certificate:   | [●] <i>(specify currency)</i>  |
| 6  | Trade Date:  | [●]  |
| 7  | Issue Date:  | [●]  |
| 8  | Current Financing Level on the Trade Date:   | [●]  |
| 9  | Current Spread on the Trade Date:  | [●]  |
| 10 | Maximum Spread:  | [●]  |
| 11 | Current Stop Loss Premium Rate on the  | [●]  |

	Trade Date:	
12	Maximum Premium:	[●]
13	Minimum Premium:	[●]
14	Stop Loss Price on the Trade Date:	[●]
15	Stop Loss Event:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
16	Stop Loss Price Rounding:	[●]
17	Stop Loss Termination Reference Price:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
18	Termination Reference Price	[As specified in the Conditions]/( <i>other – please specify</i> ) (Delete as applicable)
19	Reset Date:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
20	Entitlement:	[●]
21	Financing Level Currency:	[●]
22	Settlement Currency:	[●]
23	Exercise Time:	[●]
24	Cash Settlement Amount:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
25	Final Reference Price:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
26	Settlement Date:	[As specified in the Conditions]/[ <i>other – specify</i> ] (Delete as applicable)
27	Issuer Call Commencement Date:	[●]
28	Issuer Call Notice Period:	[●]
29	Valuation Date(s):	[●]
30	Valuation Time:	[●]/ [Not Applicable]
31	Specified Maximum Days of Disruption:	[●]
32	Applicable Business Day Centre(s) for the purposes of the definition of “Business Day”	[●]
33	Number of Business Days in which a Price Correction may be published	[●]
34	Early Redemption Unwind Costs	[Standard Early Redemption Unwind Costs]/[ <i>other – specify</i> ]
35	Calculation Agent:	[Rabobank Structured Products]/[ <i>other – specify</i> ]
<b>ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS:</b>		
36	<b>Index Leveraged Certificate Provisions</b>	[Not Applicable/ Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)

- [The provisions of the Index Leveraged Certificate Conditions shall apply.]
- (a) Type of Index: [Multi-Exchange Index]/[Non Multi-Exchange Index] *(Delete as appropriate)*
- (b) Details of the Index: [●]/*(if a Non Multi-Exchange Index)*/[As specified in the Index Leveraged Certificate Conditions] *(If a Multi-Exchange Index)*
- (c) Index Sponsor: [●]/[As specified in the Index Leveraged Certificates Conditions] *(Delete as applicable)*
- (d) Exchange: [●]/*(if a Non Multi-Exchange Index)*/[As specified in the Index Leveraged Certificates Conditions] *(if a Multi-Exchange Index)* *(Delete as applicable)*
- (e) Additional Market Disruption Event(s): [Not Applicable/ Applicable] *(If Applicable provide details of such Additional Market Disruption Events)*  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [other – specify]
- (f) Notional Dividend Amount: [Not Applicable/ Applicable] *(Delete as applicable)*
- (g) Notional Dividend Period: [As specified in the Index Leveraged Certificates Conditions]/[other – specify] *(Delete as applicable)*
- (h) Number of Business Days in which a Price Correction may be published: [As specified in the Index Leveraged Certificates Conditions]/[other – specify] *(Delete as applicable)*
- 37 **Equity Leveraged Certificate Provisions** [Not Applicable/ Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- [The provisions of the Equity Leveraged Certificate Conditions shall apply.]
- (a) Equity: [●]
- (b) Equity Issuer: [●]
- (c) Exchange: [●]/[As specified in the Equity Leveraged Certificates Conditions] *(Delete as applicable)*
- (d) Additional Market Disruption Event(s): [Not Applicable/ Applicable] *(If Applicable, provide details of such Additional Market Disruption Events)*  
 [Change in Law]  
 [Insolvency Filing]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [other – specify]
- (e) Notional Dividend Amount: [Not Applicable/ Applicable] *(Delete as applicable)*
- (f) Notional Dividend Period: [As specified in the Equity Leveraged Certificates Conditions]/[other – specify] *(Delete as applicable)*
- (g) Related Exchange: [●]/[As specified in the Equity Leveraged Certificates Conditions]/[All Exchanges] *(Delete as applicable)*

38	<b>Currency Provisions</b>	<b>Leveraged</b>	<b>Certificate</b>	<p>[Not Applicable/ Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <p>[The provisions of the Currency Leveraged Certificate Conditions shall apply.]</p> <p>(a) Underlying FX Rate: [●]</p> <p>(b) Underlying Currency: [●]</p> <p>(c) Relevant Screen Page: [●]</p> <p>(d) Relevant Number of Days: [●]</p> <p>(e) Market Disruption Events: [Not Applicable/ Applicable] <i>(Delete as applicable)</i>  <i>(If applicable, specify which of the following events are applicable:)</i>  [General Inconvertibility]  [General Non-Transferability]  [Reference Debtor Default]  [Illiquidity]  [Inconvertibility/Non-Transferability]  [Material Change in Circumstances]  [Nationalisation]  [Price Source Disruption]  [Specific Inconvertibility]  [Specific Non-Transferability]  <i>[other – specify]</i></p> <p>(f) Additional Market Disruption Event(s): [Not Applicable/ Applicable] <i>(If Applicable, provide details of such Additional Market Disruption Events)</i></p>
39	<b>Commodity Provisions</b>	<b>Leveraged</b>	<b>Certificate</b>	<p>[Not Applicable/ Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <p>[The provisions of the Commodity Leveraged Certificate Conditions shall apply.]</p> <p>(a) Commodity: [●]</p> <p>(b) Commodity Reference Price: [●] <i>(specify successor and fallback provisions, specify Price Source/Reference Dealers)</i></p> <p>(c) Specified Price: [●]</p> <p>(d) Delivery Dates: [●]</p> <p>(e) Rollover Date: [●]/[Not Applicable]</p> <p>(f) Market Disruption Events: [Not Applicable/ Applicable] <i>(Delete as applicable)</i>  <i>(If applicable, specify which of the following events are applicable:)</i>  [Price Source Disruption]  [Trading Disruption]  [Disappearance of Commodity Reference Price]  [[<i>(except in relation to bullion)</i>]  Material Change in Formula] [[<i>(except in relation to bullion)</i>]  Material Change in Content]</p>

			[Tax Disruption]
			[Early Closure]
			[De Minimis Trading]
			[Moratorium]
			[ <i>other – specify</i> ]
	(g)	Additional Market Disruption Event(s):	[Not Applicable/ Applicable] ( <i>If Applicable, provide details of such Additional Market Disruption Events</i> )
			[Change in Law]
			[Hedging Disruption]
			[Increased Cost of Hedging]
			[ <i>other – specify</i> ]
	(h)	Exchange:	[●]
40		<b>Fund Leveraged Certificate Provisions</b>	[Not Applicable/ Applicable] ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> )
			[The provisions of the Fund Leveraged Certificate Conditions shall apply.]
	(a)	Details of the Fund, Fund Interest and the name of the Fund Manager:	[●]
	(b)	Notional Dividend Amount:	[Not Applicable/ Applicable] ( <i>Delete as applicable</i> )
	(c)	Notional Dividend Period:	[As specified in the Fund Leveraged Certificates Conditions]/[ <i>other – specify</i> ] ( <i>Delete as applicable</i> )
	(d)	Reference Asset Price:	[NAV] [Trading Price. Bloomberg [●]]
41		<b>Debt Leveraged Certificate Provisions</b>	[Not Applicable/ Applicable] ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> )
			[The provisions of the Debt Leveraged Certificate Conditions shall apply.]
	(a)	Reference Asset:	[●] (ISIN: [●]) Screen Page: [●]
	(b)	Rollover Date:	[●]
	(c)	Market Disruption Events:	[Not Applicable/ Applicable] ( <i>Delete as applicable</i> ) ( <i>If applicable, specify which of the following events are applicable:</i> )
			[Price Source Disruption]
			[Trading Disruption]
			[Disappearance of Reference Asset Price]
			[Material Change in Formula]
			[Material Change in Content]
			[Tax Disruption]
			[De Minimis Trading]
			[Early Closure]
			[Reference Debtor Default] [Nationalisation]
			[Moratorium]
	(d)	Additional Market Disruption	[Not Applicable/ Applicable] ( <i>If Applicable, provide</i>

- Event(s): *details of such Additional Market Disruption Events)*
- (e) Exchange: [●]
- (f) Related Exchange: [●]
- 42 **Futures Leveraged Certificate Provisions** [Not Applicable/ Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- [The provisions of the Futures Leveraged Certificate Conditions shall apply.]
- (a) Futures: [*insert type of Futures*]
- (b) Exchange: [*specify*]
- (c) Additional Market Disruption Event(s): [Not Applicable/ Applicable] *(Delete as applicable)*  
*(If applicable, specify which of the following events are applicable:)*  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [*other – specify*]

## DISTRIBUTION

- 43 Method of distribution: [Syndicated]/[Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/[*give names, and addresses and underwriting commitments*]
- (Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a best efforts basis if such entities are not the same as the Managers)*
- (b) Date of Subscription Agreement: [●]
- 44 Stabilising Manager (if any): [●]
- 45 If non-syndicated, name and address of relevant Dealer: [Not Applicable]/[*give name and address*]
- 46 Total commission and concession: [[●] per cent. of the aggregate nominal amount]
- 47 Non-exempt Offer:<sup>7</sup> [Not Applicable]/[An offer of Leveraged Certificates may be made by the Manager[s] [and [*specify names [and addresses]* of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. other parties authorised by the Managers) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]]

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<sup>7</sup> Not relevant for an issue of Leverage Certificates with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency).

(together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date or a formula such as the Issue Date or the date which falls [●] Business Days thereafter] (“**Offer Period**”). See further Paragraph 14 of Part B below.

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the offering circular (and any supplement) has been notified/passported.)*

48 Additional Selling Restrictions: [Not Applicable]/[give details]

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] listing and admission to trading on [Euronext Amsterdam/specify relevant regulated market] of the Leveraged Certificates described herein pursuant to the Leveraged Certificates, Warrants or Certificates Programme of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised



## PART B – OTHER INFORMATION

### 1 LISTING

- (a) Listing and admission to trading: [Application [has been] [will be] made by the Issuer (or on its behalf) for the Leveraged Certificates to be admitted to trading on [NYSE Euronext in Amsterdam/other (*specify*)] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

- (b) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

Ratings: [The Leveraged Certificates to be issued will not be rated]

The Leveraged Certificates to be issued have been rated: [Standard & Poor's: [●]]

[Fitch: [●]]

[Moody's: [●]]

*(Include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

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

### 3 NOTIFICATION

The Netherlands Authority for Financial Markets has provided the [names of competent authorities of host Relevant Member States] with a certificate of approval attesting that the Offering Circular has been drawn up in accordance with the Prospectus Directive.]

### 4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Leveraged Certificates has an interest material to the offer – *amend as appropriate if there are other interests*][(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive or the use of a Securities Note or “unitary prospectus”.)]

### 5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (a) Reasons for the offer: [●]

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

(b) Estimated net proceeds: [•]

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

(c) Estimated total expenses: [•]

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

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

**6 PERFORMANCE OF [INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX]] (INDEX LEVERAGED CERTIFICATES ONLY)**

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

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[Need to include the name of the Index, the name of the Index Sponsor and, a description if composed by the Issuer and if the Index is not composed by the Issuer need to include details of where the information about the Index can be obtained.]*

**7 PERFORMANCE OF THE SHARE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE SHARE] (SHARE LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the name of the share company, any security identification number of the shares, where pricing information about the shares is available and where past and future performance and volatility of the share can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**8 INFORMATION IN RELATION TO THE DEBT SECURITY/SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE DEBT SECURITY/SECURITIES] (DEBT LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the name of the Issuer, the ISIN (International Securities Identification Number) of the debt security and where pricing information on and where past and future performance and volatility of the debt security can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**9 PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/COMMODITY INDEX/]] (COMMODITY LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the [Commodity/Commodity Index], where pricing information about the [Commodity/Commodity Index] is available and where past and future performance and volatility of [the Commodity/Commodity Index] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**10 PERFORMANCE OF [THE FUND], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND]] (FUND LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the fund and where past and future performance and volatility of the fund can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**11 PERFORMANCE OF [THE CURRENCY/CURRENCY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE CURRENCY/CURRENCY INDEX] (CURRENCY LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the [currency/currency index], where pricing information about the [currency/currency index] is available, [the relevant weighting of each [currency/currency index] within a [currency indices]] and where past and future performance and volatility of [the currency/currency index] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**12 PERFORMANCE OF [THE FUTURE], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUTURE]] (FUTURES LEVERAGED CERTIFICATES ONLY)**

*[Need to include details of the name of the future, where pricing information about the futures is available and where past and future performance and volatility of the future can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

**13 OPERATIONAL INFORMATION**

- (a) ISIN: [•]
- (b) Common Code: [•]
- (c) [Clearing System(s):] [Euroclear Netherlands]/[other]
- (d) [Any clearing system(s) other than Euroclear Netherlands:] [Not Applicable]/[give name(s) and number(s)]

#### 14 TERMS AND CONDITIONS OF THE OFFER (*Public Offer Only*)

- (a) Offer Price: [Issue Price]/[specify]
- (b) Conditions to which the offer is subject: [Not Applicable]/[give details]
- (c) Total Amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable]/[give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable]/[give details]
- (e) [Details of the minimum and/or maximum amount of application:] [Not Applicable]/[give details]
- (f) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not Applicable]/[give details]
- (g) [Details of the method and time limits for paying up and delivering the Leveraged Certificates:] [Not Applicable]/[give details]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable]/[give details]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable]/[give details]
- (j) [Categories of potential investors to which the Leveraged Certificates are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable]/[give details]
- (k) [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable]/[give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable]/[give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable]/[give details]
- (n) [Description of the application process:] [Not Applicable]/[give details]

## SECTION B: TERMS AND CONDITIONS OF THE WARRANTS

*The following is the text of the terms and conditions of the Warrants (the “General Warrants Conditions”) which will apply to each issue of Warrants and which will include the additional terms and conditions contained in Annex 1 in the case of Equity Warrants, Annex 2 in the case of Fund Warrants, Annex 3 in the case of Index Warrants, Annex 4 in the case of Commodity Warrants, Annex 5 in the case of Currency Warrant, Annex 6 in the case of Debt Warrants and Annex 7 in the case of Futures Warrants and which will be subject to completion and/or amendment in Part A of the relevant Final Terms. In the event of any inconsistency between these General Warrants Conditions and the Final Terms, the Final Terms shall prevail.*

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or the “**Issuer**”) may from time to time issue warrants (the “**Warrants**”) issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the issue date of the Warrants) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent and principal warrant agent (the “**Issuing and Paying Agent**” and “**Principal Warrant Agent**”, which expression shall include any additional or successor Issuing and Paying Agent and Principal Warrant Agent respectively), Deutsche Bank Luxembourg S.A. as Luxembourg warrant agent (the “**Luxembourg Warrant Agent**” and, together with the Principal Warrant Agent, the “**Warrant Agents**”, which expression shall include any additional or successor Warrant Agents), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named therein (each a “**Paying Agent**” and, together with the Warrant Agents, the “**Paying Agents**”, which expression shall include any additional or successor Paying Agents) dated 27 October 2010 (the “**Agency Agreement**”).

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Warrants as set out below and in the relevant Final Terms unless another entity is so specified as the calculation agent in the relevant Final Terms in which case the expression “Calculation Agent” shall, in relation to the relevant Warrants, include such other specified calculation agent.

Warrants may be registered securities issued in dematerialised and uncertificated book-entry form (“**Uncertificated book-entry form Warrants**”) and registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). No physical global certificates or certificates will be issued in respect of Warrants issued into and transferred through accounts at Euroclear Netherlands. The Warrants are issued subject to and in accordance with the terms and conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the terms and conditions (Book I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the “**Regulations**”). Warrantholders do not have the right to request delivery (*utitlevering*) of the Uncertificated book-entry form Warrants. Warrants issued into and transferred through accounts at Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) (each a “**Clearing System**”), will on issue be constituted by a permanent global warrant (the “**Global Warrant**”), which will be deposited with a common depositary to Euroclear and Clearstream, Luxembourg. No Warrants in definitive form will be issued. The relevant Final Terms for the Warrants supplement these General Warrants Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Warrants Conditions, supplement, replace or modify these General Warrants Conditions for the purposes of the Warrants.

References herein to the “**relevant Final Terms**” are to the Final Terms related to a specific issue of Warrants registered with Euroclear Netherlands or attached to the Global Warrant, as the case may be.

Copies of the Agency Agreement and the relevant Final Terms are available for viewing at the registered office of the Issuer and the specified offices of the Paying Agents and copies may be obtained during normal

business hours at the specified office of each of the Paying Agents save that, if the Warrant is neither listed on a stock exchange nor admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the relevant Final Terms will only be obtainable by a Warrantholder holding one or more Warrants and such Warrantholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Warrants and identity. The Warrantholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (insofar as they relate to the Warrants) and the relevant Final Terms which are applicable to them. The statements in these General Warrants Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

## 1 Type, Title and Transfer

### (A) *Type*

The Warrants relate to a specified Equity or Basket of Equities (“**Equity Warrants**”), a specified Fund Interest or Basket of Fund Interests (“**Fund Warrants**”), a specified Index or Basket of Indices (“**Index Warrants**”), a specified Commodity or Commodity Index or Basket of Commodities or Basket of Commodity Indices (“**Commodity Warrants**”), a specified currency or Basket of Currencies (“**Currency Warrants**”), a specified Debt Security or Basket of Debt Securities (“**Debt Warrants**”), a specified Futures Contract or Basket of Futures Contracts (“**Futures Warrants**”) including warrants which relate to a combination of such Equities, Fund Interests or Units, Indices, Commodities, Currencies, Futures, and any other assets classes or types as is specified in the relevant Final Terms. The relevant Final Terms will specify which of the Equity Warrants Conditions, Fund Warrants Conditions, Index Warrants Conditions, Commodity Warrants Conditions, Currency Warrants Conditions, Debt Warrants Conditions, Futures Warrants Conditions, in each case set out in the Annexes to these General Warrants Conditions, apply to the Warrants.

The relevant Final Terms will indicate whether the Warrants are American style Warrants (“**American Style Warrants**”) or European style Warrants (“**European Style Warrants**”) or such other type as may be specified in the relevant Final Terms, whether settlement shall be by way of cash payment (“**Cash Settled Warrants**”) or physical delivery (“**Physical Delivery Warrants**”), whether the Warrants are call Warrants (“**Call Warrants**”) or put Warrants (“**Put Warrants**”), or such other type as may be specified in the relevant Final Terms, whether the Warrants may only be exercised in Units and whether Averaging (“**Averaging**”) will apply to the Warrants.

If Units are specified in the relevant Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If Averaging is specified as applying in the relevant Final Terms, the relevant Final Terms will state the relevant Averaging Dates and if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 3 below) applies.

References in these General Warrants Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to Physical Delivery Warrants which include an option (as set out in the relevant Final Terms) at the Issuer’s election to request cash settlement of such

Warrants and where settlement is to be by way of cash payment, and references in these General Warrants Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the relevant Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Warrants and where settlement is to be by way of physical delivery.

Warrants may, if so specified and provided for in the relevant Final Terms, allow Warrantholders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the relevant Final Terms. Those Warrants where the Warrantholder has elected for cash payment will be Cash Settled Warrants and those Warrants where the Warrantholder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Warrantholder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the relevant Final Terms.

(B) *Title to Warrants*

(i) Uncertificated book-entry form Warrants:

For Warrants issued in uncertificated book-entry form and registered with Euroclear Netherlands, title to such Warrants shall pass by book-entry in accordance with the Securities Giro Act and the Regulations. Rights in respect of the Warrants shall belong to a community to be subdivided into as many equal denominations (referred to in the Regulations as *coupures*) as there are Warrants in the relevant series.

(ii) Warrants represented by a Global Warrant:

For Warrants that are represented by a Global Warrant, held by a common depository on behalf of a relevant Clearing System, each person who is for the time being shown in the records of a Clearing System as the holder of a particular number of Warrants (in which regard any certificate or other document issued by such Clearing System as to the number of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer as the holder of such number of Warrants for all purposes (and the expressions "**Warrantholder**", "**holder of Warrants**" and related expressions shall be construed accordingly).

(C) *Transfers of Warrant*

(i) Uncertificated book-entry form Warrants:

Transfer and delivery of denominations shall take place solely between or through the intermediation of admitted institutions ("**Admitted Institutions**", defined in the Regulations as *aangesloten instellingen*) of Euroclear Netherlands. A holder of a co-ownership right in respect of the community of denominations is referred to as a "**Warrantholder**" or "**holder of Warrants**". Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Paying Agent from time to time and notified to the Warrantholders in accordance with General Warrants Condition 10.

(ii) Warrants represented by a Global Warrant:

For as long as the Warrants are represented by a Global Warrant, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected through an account at Euroclear or Clearstream, Luxembourg subject to and in accordance with the rules

and procedures for the time being of such Clearing System. Title will pass upon registration of the transfer in the books of each Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Paying Agent from time to time and notified to the Warrantheolders in accordance with General Warrants Condition 10.

(D) *Payments in respect of Warrants*

(i) Uncertificated book-entry form Warrants:

All payments in respect of the Uncertificated book-entry form Warrants shall be made in accordance with the Regulations. In particular, payment of principal or any other payments on or in respect of the Uncertificated book-entry form Warrants to the Warrantheolders will be effected through Admitted Institutions (*aangesloten instellingen*) of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Warrants to an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Warrantheolders. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Admitted Institutions which according to Euroclear Netherlands' record hold an Equity in the *girodepot* (as referred to in the Securities Giro Act) with respect to such Warrants, the relevant payment to be made in proportion with the Equity in such *girodepot* held by each of such Admitted Institutions in accordance with the relevant provisions of the Regulations. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

(ii) Warrants represented by a Global Warrant:

In the case of Warrants represented by a Global Warrant the Issuer shall on the Settlement Date pay the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Warrantheolder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Expenses not already paid.

## 2 Status of the Warrants

The Warrants constitute direct, unsubordinated and unsecured obligations of the Issuer and shall, at all times, rank *pari passu* among themselves and (subject to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

## 3 Definitions

For the purposes of these General Warrants Conditions, the following general definitions will apply:

“**Actual Exercise Date**” means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 4(A)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 4(A)(i)));

“**Affiliate**” means, in relation to the first entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity under common control with the First Entity. As used herein, control means the ownership of a majority of the voting power of an entity and “**controlled by**” and “**controls**” shall be construed accordingly;



“**Averaging Date**” means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms, and if:

- (A) “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price. If through the operation of this provision no Averaging Date would occur with respect to the relevant Actual Exercise Date, then the provisions relating to Valuation Dates will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) “**Postponement**” is specified as applying in the relevant Final Terms, then the provisions relating to Valuation Date will apply for the purposes of determining the relevant level, price or amount for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) “**Modified Postponement**” is specified as applying in the relevant Final Terms then:
  - (i) where the Warrants are Warrants relating to a single underlying the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (a) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (b) the Calculation Agent shall, where practicable, determine the relevant level or price for that Averaging Date in accordance with the provisions relating to Valuation Date;
  - (ii) where the Warrants are specified in the relevant Final Terms to relate to a basket of underlyings the Averaging Date for each underlying not affected by the occurrence of a Disrupted Day shall be the date specified in the Final Terms as an Averaging Date in respect of the Valuation Date and the Averaging Date for each underlying affected by the occurrence of a Disrupted Day (each an “Affected Underlying”) shall be the first succeeding Valid Date in relation to such Affected Underlying. If the first succeeding Valid Date in respect of the Affected underlying has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (a) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity and (b) the Calculation Agent shall determine the relevant level or amount for that Averaging Date in accordance with the provisions relating to Valuation Date; and
  - (iii) “Valid Date” shall mean the Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

“**Business Day**” means (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) specified in the Final Terms and (B) either (i) in relation to any sum

payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant currency (if other than any Business Day Centre or (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

“**Cash Settlement Amount**” means, in relation to Cash Settled Warrants, the amount (which may not be less than zero) to which the Warrantholder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 4;

“**Cancellation Amount**” means an amount equal to the fair market value of such Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion;

“**Clearing System**” means Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system as may be selected by the Issuer or agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s);

“**Entitlement**” means, in relation to a Physical Delivery Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) rounded down as provided in General Warrants Condition 4(C)(i), as determined by the Calculation Agent, including any documents evidencing such Entitlement;

“**Exchange Rate**” means the exchange rate specified as such in the relevant Final Terms.

“**Exercise Date**” means the date specified as such in the Final Terms.

“**Exercise Period**” means the period specified as such in the Final Terms.

“**Exercise Price**” means the amount specified as such in the relevant Final Terms.

“**Expiration Date**” means the last Business Day of the Exercise Period;

“**Relevant Asset(s)**” means the asset(s) defined as such in the relevant Final Terms;

“**Scheduled Valuation Date**” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Settlement Currency**” means the currency specified as such in the relevant Final Terms.

“**Settlement Date**” means the Settlement Date of the Warrants as specified in the relevant Final Terms.

“**Trade Date**” means the date specified as such in the relevant Final Terms.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur.

“**Weighting**” means the weighting to be applied to each relevant Basket to ascertain the Settlement Price as specified in the Final Terms.

## 4 Exercise Rights

### (A) Exercise Period

#### (i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period. Any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m. CET on the Expiration Date, shall become void, unless such American Style Warrant is a Cash Settled Warrant in which case (unless specified otherwise in the relevant Final Terms) it shall be deemed to have been automatically exercised on the Expiration Date (subject to prior cancellation of the Warrants in accordance with General Warrants Conditions 7 and 8 or in any relevant Final Terms), and the Exercise Date for such Warrant shall be the Expiration Date. The Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) to Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, and the copy thereof is received by the Paying Agent, is referred to herein as the Actual Exercise Date. If any Exercise Notice is received by Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, or if the copy thereof is received by the Paying Agent, in each case, after 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5 at or prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on the Expiration Date shall become void (unless deemed to have been automatically exercised as provided above).

#### (ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date. Any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on the Exercise Date, shall become void, unless such European Style Warrant is a Cash Settled Warrant in which case (unless provided otherwise in the relevant Final Terms) it shall be deemed to have been automatically exercised on the Exercise Date (subject to prior cancellation of the Warrants in accordance with General Warrants Conditions 7 and 8 or in any relevant Final Terms), and the Exercise Date for such Warrants shall be the Exercise Date.

### (B) Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the relevant Final Terms, each Unit entitles its holder, upon due exercise (or upon automatic exercise as provided above) and subject, in the case of a Global Warrant, to certification as to non-US beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to the following (or such other amount specified in the relevant Final Terms):

- (i) where Averaging is not specified in the relevant Final Terms:
  - (a) if such Warrants are Call Warrants, (Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal amount;
  - (b) if such Warrants are Put Warrants, (Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the Nominal amount; and
  - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the relevant Final Terms;
- (ii) where Averaging is specified in the relevant Final Terms:
  - (a) if such Warrants are Call Warrants, (the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal amount;
  - (b) if such Warrants are Put Warrants, (Exercise Price less the arithmetic mean of the Settlement Prices or all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the nominal amount; and
  - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the relevant Final Terms.

The Cash Settlement Amount will be subject to deduction of Exercise Expenses, as provided in Condition 5(C)(i).

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the relevant Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants or Units, as the case may be.

*(C) Physical Settlement*

- (i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the relevant Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlement in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlement in respect of the same Warrantholder will be rounded down to the nearest transferable unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following exercise of an Equity Warrant which is a Physical Delivery Warrant, all dividends on the relevant Equities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Equities. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5(A)(i)(2).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the relevant Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine the appropriate pro rata portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be, on the fifth Business Day prior to the date on which the notice of such election is given to the Warrantholders as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred

by the Issuer in respect of any such financial instruments or transactions, all as determined by the Calculation Agent, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

“**Settlement Business Day**” has the meaning specified in the relevant Final Terms; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot reasonably make delivery of the Relevant Asset(s) using the method specified in the relevant Final Terms.

(iii) Failure to Deliver due to Illiquidity

If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Asset(s) comprising the Entitlement (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Asset(s) (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in the relevant terms and conditions for such Warrant and/or the relevant Final Terms, any Relevant Asset(s) which are not Affected Relevant Assets will be delivered pro rata on the originally designated Settlement Date; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Warrantholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Warranholders in accordance with General Warrants Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Warranholders in accordance with General Warrants Condition 10. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Warranholders in accordance with General Warrants Condition 10 that the provisions of this General Warrants Condition 4(C)(iii) apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” means in respect of the relevant Warrant or Unit, as the case may be, the fair market value fair market value of such Warrant or Unit, as the case may be, on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above (taking into account, where the Failure to Deliver affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions, all as determined by the Calculation Agent, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion).

(D) *Issuer’s Option to Vary Settlement*

If the relevant Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these General Warrants Conditions, the

Issuer may in respect of each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, as the case may be, but in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

*(E) General*

The Calculation Agent may give notice to the Warrantholders, in accordance with Condition 10, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Warrants.

The purchase of Warrants does not confer on any Warrantholders any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to “CET” shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

## **5 Exercise Procedure**

*(A) Exercise Notice*

Unless deemed to be automatically exercised, Warrants may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms and the Paying Agents during normal office hours) to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, with a copy to the Paying Agent in accordance with the provisions set out in Condition 4 and this Condition.

- (i) In the case of Cash Settled Warrants, the Exercise Notice shall (among other things):
- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the relevant Final Terms, the number of Units being exercised;
  - (b) specify the number of the Warrantholder’s account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to be debited with the Warrants being exercised;
  - (c) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to debit on or before the Settlement Date the Warrantholder’s account with the Warrants being exercised;
  - (d) specify the number of the Warrantholder’s account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the

relevant Final Terms, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

- (e) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants (“**Exercise Expenses**”) and an authority to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, in respect thereof and to pay such Exercise Expenses;
- (f) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and
- (g) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the relevant Final Terms, the number of Units being exercised;
- (b) specify the number of the Warrantholder’s account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to be debited with the Warrants being exercised;
- (c) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to debit on or before the Settlement Date the Warrantholder’s account with the Warrants being exercised;
- (d) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, with the aggregate Exercise Price in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
- (e) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants (“**Exercise Expenses**”) and an authority to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing



system(s) as may be specified in the relevant Final Terms to debit a specified account of the Warrantholder at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, in respect thereof and to pay such Exercise Expenses;

- (f) include such details as are required by the relevant Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Warrantholder's account with Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price;
  - (g) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and
  - (h) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.
- (iii) If Condition 4(D) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the relevant Final Terms and the Paying Agents during normal office hours.

(B) *Verification of the Warrantholder*

Upon receipt of an Exercise Notice, Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, shall verify that the person exercising the Warrants is the Warrantholder thereof according to the books of Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be. Subject thereto, Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Paying Agent the series number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Paying Agent will inform the Issuer thereof. Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised.

(C) *Settlement*

- (i) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised (or automatically exercised) Warrant or Unit, as the case may be, to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Price and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice, subject as provided in Condition 4(C). The Entitlement shall be delivered and evidenced in such manner as set out in the relevant Final Terms.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, in consultation with the Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Paying Agent immediately after being delivered or sent to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, as provided in paragraph (A) above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, in consultation with the Paying Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, and the Paying Agent. Any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(A)(i), in the case of American Style Warrants, or Condition 4(A)(ii), in the case of European Style Warrants, shall become void, unless (in the case of Cash Settled Warrants) deemed to have been automatically exercised (as described above).

Neither the Issuer nor the Paying Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether an Exercise Notice is complete or in proper form or the notification of such determination to a Warrantholder.

(E) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant exercise date and none of the Issuer or any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms in relation to the performance of its duties in relation to the Warrants.

## 6 Minimum and Maximum Number of Warrants Exercisable

### (A) American Style Warrants

This paragraph (A) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the “**Minimum Exercise Number**” specified in the relevant Final Terms (if any) and, if specified in the relevant Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the relevant Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the “**Maximum Exercise Number**” (if any) (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants is exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

### (B) European Style Warrants

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Issuer must be not less than the Minimum Exercise Number (if any) specified in the relevant Final Terms and, if specified in the relevant Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the relevant Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

## 7 Illegality and Force Majeure

### (A) Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer’s obligations under the Warrants or that any arrangements made to hedge the Issuer’s obligations under the Warrants have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer, having given not less than 10 nor more than 30 days’ notice to Warrantholders in accordance with General Warrants Condition 10 (which notice shall be irrevocable) may on expiry of such notice cancel all, but not some only, of the outstanding Warrants at the Cancellation Amount.

Should any one or more of the provisions contained in these General Warrants Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

(B) *Force Majeure*

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Warrants and/or any related hedging arrangements, the Issuer may redeem the Warrants by giving notice to Warrantheolders in accordance with Condition 10.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Warrantheolders or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantheolder, which amount shall be the fair market value (if any) of a Warrant or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and if already paid by or on behalf of the Warrantheolder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 10.

## **8 Purchases**

The Issuer may at any time purchase Warrants at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Warrantheolders alike. Such Warrants may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## **9 Agents, Determinations, Meetings Provisions and Modifications**

(A) *Paying Agents*

The Paying Agents initially appointed by the Issuer and their respective specified addresses are listed on page 397.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that no termination of appointment of the Issuing and Paying Agent shall become effective until a replacement Issuing and Paying Agent shall have been appointed and provided that, so long as any of the Warrants are listed or admitted to trading on a stock exchange, there shall be a Paying Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Paying Agent shall promptly be given to Warrantheolders in accordance with Condition 10. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantheolders and any determinations and calculations made in respect of the Warrants by any Paying Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantheolders.

(B) *Warrant Agents*

The Warrant Agents initially appointed by the Issuer and their respective specified addresses are listed on page 397.

The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant Agent and to appoint additional or other Warrant Agents, provided that no termination of appointment of the Principal Warrant Agent shall become effective until a replacement Principal Warrant Agent shall have been appointed and provided that, so long as any of the Warrants are listed or admitted to trading on a stock exchange, there shall be a Warrant Agent having a specified office in each location (if any)

required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent shall promptly be given to Warranholders in accordance with Condition 10. In acting under the Agency Agreement, each Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warranholders and any determinations and calculations made in respect of the Warrants by any Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warranholders.

(C) *Calculation Agent/Issuer*

In relation to each issue of Warrants, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warranholders. All determinations, calculations or other decisions made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and Warranholder. Because the Calculation Agent may be the Issuer, or an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Warranholders, including with respect to certain determinations and judgments that the Calculation Agent must make.

(D) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these General Warrants Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Paying Agents and the Warranholders.

(E) *Meetings of Holders*

The Agency Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the General Warrants Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Warranholders. Such a meeting may be convened by the Issuer or Warranholders holding not less than 5 per cent. (by number) of the Warrants for the time being outstanding. The quorum at a meeting of the Warranholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Warrants outstanding, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented. The quorum at a meeting of Warranholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Warrants outstanding or at any adjourned meeting two or more persons being, holding or representing not less than 10 per cent. (by number) of the Warrants outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by Warranholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Warranholders shall be binding on all the Warranholders, whether or not they are present at the meeting.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the Warranholders of not less than 100 per cent. (in number) of the Warrants outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Warranholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Warrants.

(F) *Modifications*

The Issuer may modify these General Warrants Conditions and/or the Agency Agreement without the consent of the Warrantholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Warrantholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Warrantholders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 10 Notices

All notices regarding Warrants will be deemed validly given (A) if delivered to Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms for communication by them to the Warrantholders and (B) for so long as any Warrants are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, if such notice is published in the manner required by the rules of that stock exchange (or any other relevant authority). Any such notice will be deemed to have been given on the day after the date of such publication or, if published more than once, on the date of the first day after the day of such publication.

## 11 Expenses and Taxation

- (A) A Warrantholder must pay all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (i) upon exercise or redemption in connection with such Warrant and/or (ii) in connection with any payment or delivery due following Exercise or redemption or otherwise in respect of such Warrant (“**Warrant Expenses**”).
- (B) The Issuer shall deduct from amounts payable or from assets deliverable to Warrantholders all Related Expenses, not previously deducted from amounts paid or assets delivered to Warrantholders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Warrants.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Warrantholders shall be liable to pay the Related Expenses attributable to their Warrants.

“**Expenses**” means Warrant Expenses and any Related Expenses.

“**Related Expenses**” means (i) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (ii) any other present, future or contingent expenses (including, without limitation, any applicable depositary charges, transaction charges, issue, registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Warrants;
- (b) any payment (or delivery of assets) to Warrantholders;
- (c) a person’s or its agent’s assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Warrants; or

- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Warrants.

“**Taxes**” means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

## 12 Substitution of the Issuer

- (A) The Issuer or any previous substitute of the Issuer under this General Warrants Condition 12 may, and the Warrantholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this General Warrants Condition 12 may without any further prior consent of any Warrantholder at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Warrants or undertake its obligations in respect of the Warrants through any of its branches (any such company or branch, the “**Substitute Obligor**”), in respect of the Warrants, provided that:
- (i) such documents shall be executed by the Substitute Obligor and the Issuer or any previous substitute as may be necessary as aforesaid to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Obligor shall undertake in favour of each Warrantholder to be bound by the General Warrants Conditions and the provisions of the Agency Agreement as fully as if the Substitute Obligor had been named in the Warrants and the Agency Agreement as the principal obligor in respect of the Warrants in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee (the “**Substitution Guarantee**”) in favour of each Warrantholder the performance by the Substitute Obligor of all obligations under the Warrants;
  - (ii) the Documents shall contain a warranty and representation by the Substitute Obligor and the Issuer (a) that each of the Substitute Obligor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Obligor, that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Obligor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substitute Obligor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Warrantholder and that, in the case of the Substitute Obligor undertaking its obligations with respect to the Warrants through a branch, the Warrants remain the valid and binding obligations of such Substitute Obligor;
  - (iii) General Warrants Condition 14 shall be deemed to be amended so that it shall also be an Event of Default under the said General Warrants Condition 14 if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer.
  - (iv) each stock exchange which has Warrants listed or admitted to trading thereon shall have confirmed that following the proposed substitution by the Substitute Obligor such Warrants would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
  - (v) the Substitute Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers

acting for the Substitute Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substitute Obligor, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Warrantheolders at the specified office of the Issuing and Paying Agent;

- (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Warrantheolders at the specified office of the Issuing and Paying Agent; and
  - (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substitute Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substitute Obligor for the Issuer and to be available for inspection by Warrantheolders at the specified office of the Issuing and Paying Agent.
- (B) In connection with any substitution effected pursuant to this General Warrants Condition 12, neither the Issuer nor the Substitute Obligor need have any regard to the consequences of any such substitution for individual Warrantheolders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Warrantheolder, except as provided in General Warrants Condition 13(A)(ii), shall be entitled to claim from the Issuer or any Substitute Obligor under the Warrants any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (C) Upon the Documents becoming valid and binding obligation of the Substitute Obligor and the Issuer, and subject to the notice having been given in accordance with paragraph (E) below, the Substitute Obligor shall be deemed to be named in the Warrants as the principal obligor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Warrants shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (E) below shall, in the case of the substitution of any other company as principal obligor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal obligor in respect of the Warrants.
- (D) The Documents referred to in paragraph (A) above shall be deposited with and held by the Issuing and Paying Agent for so long as any Warrants remain outstanding and for so long as any claim made against the Substitute Obligor or the Issuer by any Warrantheolder in relation to the Warrants or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Obligor and the Issuer acknowledge the right of every Warrantheolder to the production of the Documents for the enforcement of any of the Warrants or the Documents.
- (E) Not later than 15 Business Days after the execution of the Documents, the Substitute Obligor shall give notice thereof to the Warrantheolders and Euroclear Netherlands in accordance with General Warrants Condition 10. A supplement to the Offering Circular concerning the substitution of the Issuer shall be prepared.



### 13 Prescription

Claims against the Issuer for payment of principal or interest in respect of the Warrants shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

### 14 Events of Default

If any of the following events (“**Events of Default**”) occurs, the Warrantholder may, by written notice to the Issuer at the specified office of the Fiscal Agent and the Issuer, cancel such Warrant, whereupon the Cancellation Amount of such Warrant shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (A) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Warrant;
- (B) the Issuer fails to perform or observe any of its other obligations pursuant to the Warrants and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;
- (C) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court;
- (D) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Warrantholders) or the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (E) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (F) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Warrantholders).

### 15 Increase and Further Issues

- (A) Unless specified otherwise in the relevant Final Terms, the Issuer may, at any time without the consent of the Warrantholders, prior to the Issue Date increase or decrease the aggregate nominal amount of Warrants to be issued following the period in which the Warrants were offered.
- (B) Unless specified otherwise in the relevant Final Terms, the Issuer may at any time without the consent of the Warrantholders create and issue further leveraged certificates having terms and conditions the same as the Warrants or the same in all respects save for the issue date, amount and date of the first payment of interest thereon and/or the issue price and so that the same shall be consolidated and form a single series with the outstanding Warrants.

## 16 Governing Law and Jurisdiction

- (A) The Warrants and any non-contractual obligations arising out of or in connection with the Warrants shall be governed by the laws of the Netherlands.
- (B) The competent courts of Amsterdam, the Netherlands shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Warrants and accordingly any legal action or proceedings arising out of or in connection with any Warrants (including a dispute relating to any non-contractual obligations arising out of or in connection with any Warrants) (“**Proceedings**”) may be brought in such courts. These submissions are made for the benefit of each of the Warrantholders of the Warrants and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

## Annex 1: Terms and Conditions of Equity Warrants

*If Equity Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Equity Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Equity Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Equity Warrants Conditions the Equity Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Equity Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Additional Defined Terms

For the purposes of these Equity Warrants Conditions, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means a Change in Law, Increased Cost of Hedging, Insolvency Filing, Hedging Disruption or any such other Additional Disruption Event, in each case as specified in the relevant Final Terms.

“**Basket of Equities**” means a basket composed of the Equities as specified in the relevant Final Terms in the relative proportions or numbers of Equities specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of any Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of any Equities relating to the hedge position in respect of the Warrants, or (ii) it will incur a materially increased cost in performing its obligations under such Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Delisting**” means, in respect of any relevant Equity, the Exchange announces that, pursuant to the rules of such Exchange, such Equity ceases (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

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

“**Equity**” or “**Equities**” means the share(s) or other securities specified in the relevant Final Terms.

“**Equity Issuer**” means, in respect of an Equity, the issuer of such Equity.

**“Exchange”** means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

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

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Equities on the relevant Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Equities on any relevant Related Exchange.

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Equity Issuer, (A) all the Equities of such Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means that the relevant Equity Issuer institutes or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

**“Market Disruption Event”** means, in respect of an Equity, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or (C) an Early Closure.

**“Merger Date”** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means, in respect of any relevant Equities, any (A) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with, or into, another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by the such other entity or person) or (D) consolidation, amalgamation, merger or binding share exchange of the relevant Equity Issuer or its subsidiaries with, or into, another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is on or before the relevant Valuation Date or if the Warrants are Physically Settled Warrants, the Settlement Date.

“**Nationalisation**” means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities specified in the relevant Final Terms of (i) such Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Equity Issuer equally or proportionately with such payments to holders of such Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent in its sole and absolute discretion, whether such dividend is extraordinary);
- (D) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer, an event that results in any shareholder rights being diluted or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- (G) any other event having, in the opinion of the Calculation Agent, a dilutive, concentrative or other effect on the theoretical value of the relevant Equities.

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

“**Scheduled Closing Time**” means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their regular trading sessions.

“**Settlement Price**” means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Equity, an amount equal to the official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Date is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate such converted amount shall be the Settlement Price; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Date is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Settlement Price.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to such Equity on the Exchange or (ii) in futures or options contracts relating to such Equity on any relevant Related Exchange.

“**Valuation Date**” means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Equities, the Valuation Date for each Warrant not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Equity affected (each an “**Affected Equity**”) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity notwithstanding the fact that such day is a Disrupted Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Equity to be valued or such other time as specified in the relevant Final Terms. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 2 Adjustments, Consequences of Certain Events and Currency

### (A) Adjustments

Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Equities and, if so:

- (i) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Relevant Asset and/or the Entitlement and/or Exercise Price and/or the Weighting and/or the Equity Warrants Conditions to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity relative to the relevant Equity) and determine the effective date of that adjustment; or

- (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer in its sole and absolute discretion may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon the making of an adjustment pursuant to this Equity Warrants Condition 2 by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Warrantholders in accordance with General Warrants Condition 10, stating, any adjustments made, together with brief details of the Potential Adjustment Event, provided that any failure to give such notice will not affect the validity of such adjustment.

*(B) Consequences of a Delisting, Merger Event, Nationalisation, Insolvency or a Tender Offer*

Following the occurrence of a Delisting, Merger Event, Nationalisation, Insolvency or a Tender Offer, in each case, in relation to an Equity:

- (i) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Relevant Asset and/or the Entitlement and/or Exercise Price and/or the Weighting and/or the Equity Warrants Conditions to account for the Delisting, Merger Event, Tender offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
- (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer in its sole and absolute discretion may cancel the affected Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the relevant Equities traded on that options exchange.

Upon the making of an adjustment pursuant to this Equity Warrants Condition 2 by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Warrantholders in accordance with General Warrants Condition 10, stating, any adjustments made, together with brief details of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, provided that any failure to give such notice will not affect the validity of such adjustment.

*(C) Additional Disruption Events*

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:

- (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of the Relevant Assets and/or the Entitlement



and/or Exercise Period and/or the Weighting and/or the Equity Warrants Conditions, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

*(D) Price Correction*

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Warrants is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Warrants to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Settlement Date to make such adjustment prior to the Settlement Date.

*(E) Change in currencies*

If, at any time after the issue date of the Warrants, there is any change in the currency in which the Equities are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the Equity Warrants Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Warrants. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Warrants.

## Annex 2: Terms and Conditions of Fund Warrants

*If Fund Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Fund Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Fund Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Fund Warrants Conditions the Fund Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Fund Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Additional defined terms

For the purposes of these Fund Warrants Conditions, the following terms shall have the meanings set out below:

“**Additional Extraordinary Fund Event**” means any additional event specified in the related Final Terms.

“**Basket of Funds**” means a basket composed of the Funds specified in the relevant Final Terms in the relative proportions or number of Fund Interest Units of each Fund specified in the relevant Final Terms.

“**Calculation Date**” means each day(s) specified in the relevant Final Terms, or if not so specified, each day which is a Fund Business Day.

“**Disrupted Day**” means, in respect of a Fund Business Day, the occurrence or continuation of the following events as determined by the Calculation Agent in its sole and absolute discretion:

- (A) a failure by the Fund to publish the Fund Interest Price of the relevant Fund Interest in respect of that Fund Business Day (provided that the Fund Interest Price was scheduled to be published on such Fund Business Day in accordance with the Fund Documents);
- (B) the Calculation Agent determining in good faith and a commercially reasonable manner that the Fund Interest Price of the relevant Fund Interest is inaccurate;
- (C) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible in accordance with the Fund Documents); or
- (D) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Documents).

“**Fund**” means, in respect of a Fund Interest, unless otherwise specified in the relevant Final Terms, the issue of, or other legal arrangement giving rise to, the relevant Fund Interest.

“**Fund Administrator**” means any person specified as such in the relevant Final Terms or, if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents.

“**Fund Business Day**” means any day specified as such in the relevant Final Terms or, if no such day is specified, any day that the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business.

“**Fund Documents**” means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating

to such Fund Interests and any Additional Fund Documents, in each case, as amended from time to time; “**Additional Fund Documents**” has the meaning given to it in the relevant Final Terms.

“**Fund Reporting Date**” means, in respect of the Fund Interests and a Calculation Date, the date on which the Fund Interest Price is reported or published in respect of such Calculation Date.

“**Fund Service Provider**” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the relevant Final Terms.

“**Fund Interest**” means an interest issued to or held by an investor in a Fund, pooled investment vehicle or any other interest identified as such in the relevant Final Terms.

“**Fund Interest Price**” means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day, which shall be equal to the available official net asset value of a Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Adviser or published by or on behalf of the Fund, less (A) any applicable costs, expenses or taxes that would be incurred by a Hypothetical Investor in redeeming such Fund Interest and (B) such other fees as are specified as “Redemption Fees” in the relevant Final Terms, in both cases, as determined by the Calculation Agent in its sole and absolute discretion.

“**Fund Interest Unit**” means, in respect of a Fund Interest in a Fund, a share of such Fund Interest or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Fund in the amount specified in the relevant Final Terms; provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the Trade Date shall be a single Fund Interest Unit.

“**Hedge Provider**” means, unless otherwise specified in the relevant Final Terms, the Issuer, any of its Affiliates or agent or any special purpose vehicle.

“**Hypothetical Investor**” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Calculation Agent or any Hedging Provider (as determined by the Calculation Agent in the context of the relevant situation).

“**NAV Barrier**” has the meaning given to it in the relevant Final Terms.

“**NAV per Fund Interest**” means, with respect to the relevant Fund Interests and the Fund Reporting Date relating to such Fund Interests, (A) the net asset value per Fund Interest of such Fund Interests as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service or (B) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Interests, the net asset value per Fund Interest relating to such number of Fund Interests as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Interests divided by the relevant number of Fund Interests.

“**NAV Trigger Event**” means, in respect of the Fund Interests, that (A) the NAV per Fund Interest has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (B) the Fund has violated any leverage restriction that is applicable to, or

affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

“**NAV Trigger Percentage**” means the percentage specified as such in the relevant Final Terms.

“**NAV Trigger Period**” means the period specified as such in the relevant Final Terms.

“**Number of NAV Publication Days**” means the number of calendar days specified as such in the relevant Final Terms, being the maximum number of days after the due date for publication or reporting of the Fund Interest Price after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the Fund Interest Price before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

“**Potential Replacement Index**” means any of the HFRX Equal Weighted Tracker Fund, FTSE Hedge Index and the Dow Jones Hedge Fund Balanced Portfolio Index, or any successor indices thereto, and/or any other indices specified in the relevant Final Terms.

“**Scheduled Trading Day**” means any day on which the relevant Exchange(s) and each relevant Related Exchange are scheduled to be open for trading for their regular trading sessions.

“**Settlement Price**” means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Fund Interest, an amount equal to the sum of the values calculated for each Fund Interest as the Fund Interest Price (or the Fund Interest Price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such Fund Interest Price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined the Calculation Agent’s good faith estimate of the value of the Fund Interest on the relevant date (or the value of the Fund Interest at the Valuation Time on the relevant date, if Valuation time is specified in the relevant Final Terms). Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Settlement Price; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Funds, an amount equal to the sum of the values calculated for each Fund Interest as the Fund Interest Price (or the Fund Interest Price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such Fund Interest Price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined the Calculation Agent’s good faith estimate of the value of the Fund Interest on the relevant date (or the value of the Fund Interest at the Valuation Time on the relevant date, if Valuation time is specified in the relevant Final Terms, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Settlement Price.

“**Termination Amount**” means an amount in the Settlement Currency calculated as specified in the relevant Final Terms.

“**Termination Date**” means (A) the date specified in the relevant Final Terms, or (B) if “**Cancellation on the Occurrence of an Extraordinary Fund Event**” is specified as being applicable in the relevant Final Terms, the Expiration Date.

“**Valuation Date**” means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Fund Interest, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day, or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Funds, the Valuation Date for each Fund Interest, as the case may be, not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Fund Interest affected (each an “**Affected Fund Interest**”) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Fund Interest, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Fund Interest notwithstanding the fact that such day is a Disrupted Day using, in relation to the Affected Fund Interest, its good faith estimate of the price for the Affected Fund Interest that would have prevailed, but for the occurrence of the Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means the time specified in the relevant Final Terms.

## 2 Extraordinary Fund Events

“**Extraordinary Fund Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Trade Date of any of the following events and for any applicable Additional Extraordinary Fund Event:

- (A) the Fund or the investment adviser, investment manager or sub-manager: (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (a) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (b) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii)(a) above and either (1) results in a judgment of insolvency or

bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) 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; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;

- (B) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment adviser, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Warrants;
- (C) the Fund Service Provider or other agents or entity fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (D) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund is modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (E) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Interest, or any change in the periodicity of the calculation or the publication of the NAV per Fund Interest, or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund, (including, without limitation, the suspension of the NAV per Fund Interest), in each case other than a modification or event which does not affect the Fund Interests or the Fund or any portfolio of assets to which the Fund Interest relates (either alone or in common with other Fund Interests issued by the Fund);
- (F) the investment adviser, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (G) (i) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Interest, and such event continues for at least 14 calendar days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (a) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (b) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Interest;

- (H) any of the Fund, the administrator of the Fund or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Fund Interest Price within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interests unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (I) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Interests) to redeem any Fund Interests and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Interests held in connection with any hedging arrangements relating to the Warrants;
- (J) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Interests submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Interests as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Interests (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Interests) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Interests by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Interests, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (vi) a mandatory redemption, in whole or in part, of the Fund Interests is imposed by the Fund on any one or more holders of Fund Interests at any time for any reason or (vii) the Issuer, the Hedge Provider, or any Affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Interests for any reason;
- (K) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (L) a NAV Trigger Event occurs;
- (M) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment adviser, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Interests;
- (N) the currency denomination of the Fund Interest is amended from that set out in the Fund Documents so that the net asset value per Fund Interest is no longer calculated in the same currency as at the Trade Date;
- (O) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the investment adviser or the management company or sub-manager, as the case

may be, fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

- (P) one or more changes occurs in respect of the exposure of the Hedge Provider, including but not limited to the creation of a leveraged class of Fund Interests, which have or may have a material adverse effect on the Hedge Provider's hedging activities in respect of the Warrants;
- (Q) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (R) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Interests or that would subject a holder of the Fund Interests or the Issuer to any loss), purchase or sell any Fund Interests of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event; or
- (S) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Warrants would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment adviser, investment manager or sub-manager relating to the Warrants;

### **3 Consequences of an Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event and/or an Additional Extraordinary Fund Event specified in the relevant Final Terms (a "**Substitution Event**"), the Calculation Agent shall, unless otherwise specified in the relevant Final Terms, either (i) effect a Substitution (as defined below) or (ii) if it is



impossible or impracticable to effect a Substitution or a Termination Event has occurred, cancel the Warrants by payment of the Termination Amount on the Termination Date.

*(A) Substitution*

Following the occurrence of a Substitution Event in respect of any Fund Interest, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Interests in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as is reasonably practicable after the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Interests with Equities, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, have the option to substitute the relevant Fund with an index (the “**Replacement Index**”) (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion which reflects or tracks the performance of one or more hedge funds and may be (but is not obliged to be) a Potential Replacement Index; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a “**Substitution**”), in its sole and absolute discretion amend such of the terms of the Fund Warrants Conditions and/or the relevant Final Terms as it determines to be appropriate to take account of such Substitution.

*(B) Termination*

A “**Termination Event**” shall be deemed to have occurred in respect to any Fund or Fund Interest if any of the Extraordinary Fund Events set out in sub-paragraphs (Q) to (S) of Fund Warrants Condition 2 (*Extraordinary Fund Events*) or any Additional Extraordinary Fund Event specified in the relevant Final Terms as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall cancel the Warrants on the Termination Date by payment to each Warrantholder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with General Warrants Condition 10 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

### Annex 3: Terms and Conditions of Index Warrants

*If Index Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Index Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Index Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Index Warrants Conditions, the Index Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Index Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1 Additional Defined Terms

For the purposes of these Index Warrants Conditions, the following terms shall have the meanings set out below:

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

“**Basket of Indices**” means a basket composed of the Indices as specified in the relevant Final Terms in the relative proportions or numbers of Indices specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of the Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of shares that comprise the Index relating to its hedge position in respect of such Warrants or (ii) it will incur a materially increased cost in performing its obligations under such Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Disrupted Day**” means:

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

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

“**Exchange**” means

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

“**Exchange Business Day**” means

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

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (A) any Component Security on the Exchange in respect of such Component Security; or (B) futures or option contracts relating to the Index on any Related Exchange.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Index**” means one of the indices specified as such in the relevant Final Terms and “**Indices**” means all such indices together.

“**Index Sponsor**” means, in respect of an Index, the corporation or other entity that (A) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (B) announces (directly or through an agent) the level of such Index on a regular basis

during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

“**Market Disruption Event**” means, in respect of an Index:

(A) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index:

- (i) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
  - (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (1) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
    - (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
  - (b) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

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

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

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

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

- (i) the occurrence or existence, in respect of any Component Security, of:
  - (a) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(b) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(c) an Early Closure in respect of such Component Security; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in each case in respect of futures or option contracts relating to the Index, of (a) a Trading Disruption, or (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange or (c) an Early Closure.

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

“**Multi-Exchange Index**” means an Index identified or specified as such in the relevant Final Terms.

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

“**Scheduled Closing Time**” means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

“**Scheduled Trading Day**” means, in respect of an Index, (A) if Multi-Exchange Index is specified in the relevant Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (B) if the Index is **not** specified as a Multi-Exchange Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“**Settlement Price**” means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing value (or value at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) of the Index on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent's good faith estimate of the level of the Index as of the actual closing time of the Exchange on the relevant date (or the level of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms); or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for the official closing level (or level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) for each Index on the relevant Exchange on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent's good faith estimate of the level of the Index as of the actual closing time of the Exchange on the relevant date (or the level of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms, multiplied by the relevant Weighting.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component Security, or (b) in futures or options contracts relating to the Index on any Related Exchange

**“Valuation Date”** means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Indices, the Valuation Date for each Warrant not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Index affected (each an **“Affected Index”**) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index notwithstanding the fact that such day is a Disrupted Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means:

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

## 2 Adjustments, Consequences of Certain Events and Currency

### (A) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

### (B) *Index Modification, Index Cancellation and/or Index Disruption*

If (i) on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then:

- (i) the Calculation Agent will determine if such Index Adjustment Event has a material effect on the Warrants and, if so, to calculate the Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the

relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be the fair market value of a Warrant or Unit, as the case may be.

*(C) Additional Disruption Events*

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:

- (i) the Calculation Agent will determine, in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Exercise Price and/or the Weighting and/or the Equity Warrant Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

*(D) Price Correction*

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

*(E) Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Warrants (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Index Warrants Conditions as it deems necessary. The Issuer shall give notice to the Warrantholder of any such adjustment in accordance with Condition 10.



## Annex 4: Terms and Conditions of Commodity Warrants

*If Commodity Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Commodity Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “Commodity Warrants Conditions”). In the event of any inconsistency between the General Warrants Conditions and the Commodity Warrants Conditions the Commodity Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Commodity Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Additional defined terms

For the purposes of these Commodity Warrants Conditions, the following terms shall have the meanings set out below:

“**Additional Disruption Event**” means a Change in Law, Hedging Disruption, Increased Cost of Hedging and any other Additional Disruption Event, in each case if specified in the relevant Final Terms.

“**Basket of Commodities**” means a basket composed of the Commodities or Commodity Indices specified in the relevant Final Terms in the relative proportions specified in the relevant Final Terms.

**Calculation Agent Determination** means that the Calculation Agent will determine the Relevant Commodity Price (or method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**Change in Law**” means that on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of the Commodity or to enter into transactions on or relating to the Commodity (including, without limitation, futures contracts) or (ii) it will incur a materially increased cost in performing its obligations under the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Commodity**” means the commodity or futures contract on a commodity specified as such in the relevant Final Terms.

“**Commodity Business Day**” means:

- (A) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (B) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price.

“**Commodity Index**” means an index comprising one or more commodities or commodities prices, as specified in the Final Terms.

“**Commodity Reference Dealers**” means that the price for a Pricing Date will be determined on the basis of quotations provided by Reference Dealers on that Pricing Date of that day’s Specified Price for a Unit of the

relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that Pricing Date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that Pricing Date will be the Specified Price provided by the relevant Reference Dealer that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for the Pricing Date cannot be determined.

“**Commodity Reference Price**” means in respect of all Commodities, an amount equal to the reference price or spot price for the Specified Commodity specified in the Final Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the Final Terms or, if not so specified, the official closing level of such Commodity Index.

“**Delayed Publication or Announcement**” means in respect of the Affected Commodity that the Relevant Commodity Price for the relevant Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback specified in the relevant Final Terms will apply.

If, as a result of a delay pursuant to Delayed Publication or Announcement, a Relevant Commodity Price is unavailable to determine the Final Redemption Amount by the date falling two Business Days prior to the Scheduled Maturity Date, then the Maturity Date will be delayed by the same number of Commodity Business Days as was the determination of each Relevant Commodity Price, provided that the Maturity Date shall not be any earlier than the second Business Day after the date that the Relevant Commodity Price of the Affected Commodity is determined in accordance with the provisions hereof.

“**Delivery Date**” means in respect of a Relevant Commodity Price, the Nearby Month of expiration of the relevant Futures Contract or the relevant date or month for delivery of the underlying (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (A) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year;
- (B) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract; and
- (C) if a method is specified for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method,

in each case as determined by the Calculation Agent.

“**Disappearance of Commodity Reference Price**” means (A) the permanent discontinuation of trading in the relevant Future Contract on the relevant Exchange or (B) the disappearance of, or of trading in, the relevant Commodity or (C) the disappearance or permanent discontinuance or unavailability of the relevant Relevant Commodity Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Disruption Fallback**” means any of Fallback Reference Dealers, Fallback Reference Price, Postponement, Calculation Agent Determination and Delayed Publication or Announcement, specified to be applicable in the relevant Final Terms and in the order specified in the relevant Final Terms.

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

“**Exchange**” means, in respect of a Specified Commodity, the exchange or principal trading market definition of Commodity Reference Price specified in the relevant Final Terms.

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange is open for trading during its respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

“**Fallback Reference Dealers**” means that the Relevant Commodity Price, in respect of an Affected Commodity, will be determined in accordance with Commodity Reference Dealers.

“**Fallback Reference Price**” means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the relevant Final Terms and not subject to a Market Disruption Event.

“**Futures Contract**” means, in respect of any Relevant Commodity Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Relevant Commodity Price.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Index Sponsor**” means, in relation to a Commodity Index, the corporation or other entity that (A) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index and (B) announces (directly or through an agent) the level of such Commodity Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

“**Market Disruption Event**” means, in respect of a Commodity, the occurrence or existence of (A) a Price Source Disruption, (B) a Trading Disruption, (C) a Disappearance of Relevant Commodity Price, (D) a Tax

Disruption, (E) a Material Change in Content or a Material Change in Formula, at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or (F) an Early Closure.

“**Material Change in Content**” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

“**Material Change in Formula**” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Relevant Commodity Price.

“**Nearby Month**” when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (A) “**First Nearby Month**” means the month of expiration of the first Futures Contract to expire following that Pricing Date and (B) “**Second Nearby Month**” means the month of expiration of the second Futures Contract to expire following that Pricing Date.

“**Postponement**” means, with respect to a Commodity, that the relevant Pricing Date will be deemed, for the purposes of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless a Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would have otherwise been the Pricing Date). If, as a result of a postponement pursuant to this provision, a Relevant Commodity Price is unavailable to determine the Settlement Price by the date falling two Business Days prior to the Settlement Date, then the Settlement Date will be postponed by the same number of Commodity Business Days as was the determination of each Relevant Commodity Price, provided that the Settlement Date shall not be any earlier than the second Business Day after the date that the Relevant Commodity Price of the Affected Commodity is determined.

“**Price Source**” means, in respect of a Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Commodity Price (or prices from which the Relevant Commodity Price is calculated) specified in the relevant Final Terms.

“**Price Source Disruption**” means, in respect of the Commodity, (A) the failure of the relevant Price Source to announce or publish the relevant Relevant Commodity Price (or the information necessary for determining the Relevant Commodity Price of such Commodity); (B) the temporary or permanent discontinuance or unavailability of the Price Source; (C) if the Relevant Commodity Price is specified as ‘Commodity Reference Dealers’, the failure to obtain at least three quotations as requested from the relevant Reference Dealers; or (D) if a Price Materiality Percentage is specified in the relevant Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price ‘Commodity Reference Dealers’ by such Price Materiality Percentage.

“**Pricing Date**” means the Valuation Date or any Averaging Date.

“**Reference Dealers**” means four leading dealers in the relevant market selected by the Calculation Agent.

“**Relevant Price**” means:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Commodity, an amount equal to the price determined on any day for the specified Commodity Reference Price on the relevant date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price. The amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the

relevant Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Relevant Commodity Price; and

- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Commodities, an amount equal to the sum of the prices determined for the specified Commodity Reference Prices as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent's good faith estimate of the price for the specified Commodity Reference Price, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Relevant Commodity Price.

**"Scheduled Closing Time"** means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

**"Scheduled Trading Day"** means any day on which each Exchange is scheduled to be open for trading for its respective regular trading sessions.

**"Settlement Price"** means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be,

- (A) in the case of Commodity Warrants relating to a single Commodity or Commodity Index, an amount equal to the Relevant Commodity Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such Relevant Commodity Price can be determined, the Calculation Agent's good faith estimate of the Relevant Commodity Price on the relevant date. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Settlement Price; or
- (B) where the Warrants are specified in the Final Terms to relate to a Basket of Commodities or Commodity Indices, an amount equal to the sum of the Relevant Commodity Prices for such Commodities or Commodity Indices, as the case may be, as determined by the Calculation Agent on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such Relevant Commodity Price can be determined, the Calculation Agent's good faith estimate of the Relevant Commodity Price on the relevant date, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Settlement Price.

**"Specified Price"** means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the relevant Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the relevant Final Terms.

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity or Futures Contract (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

“**Trading Disruption**” means in respect of the Commodity the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or Futures Contract on the Exchange. For these purposes:

- (A) a suspension of the trading in the relevant Commodity or Futures Contract on any Commodity Business Day shall be deemed to be material only if:
  - (i) all trading in the relevant Commodity or Futures Contract is suspended for the entire Pricing Date; or
  - (ii) all trading in the relevant Commodity or Futures Contract is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such relevant Commodity or Futures Contract on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the relevant Commodity or Futures Contract on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Futures Contract may fluctuate and the closing or settlement price of the on such day is at the upper or lower limit of that range.

“**Unit**” means the unit of measure of the relevant Commodity as specified for the relevant Commodity Reference Price or otherwise in the relevant Final Terms.

“**Valuation Date**” means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Commodity, the Valuation Date shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (an “**Affected Commodity**”); or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Commodities, the Valuation Date for each Commodity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Commodity affected by the occurrence of a Disrupted Day shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (each an “**Affected Commodity**”).

“**Valuation Time**” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Commodity to be valued or such other time specified in the relevant Final Terms. In each case, if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 2 Market Disruption

- (A) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
- (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the terms and conditions of the Warrants, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (B) Adjustments for Commodity Linked Warrants in respect of Commodities quoted in European Currencies

In respect of Commodity Linked Warrants relating to Commodities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Commodities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange and/or Price Source, then the Calculation Agent will adjust the terms and conditions of the Warrants as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Warrants. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Commodity Warrant Condition 2(B) will affect the currency denomination of any payment obligation arising out of the Warrants.

## 3 Adjustments to a Commodity Index

- (A) *Successor Index Sponsor Calculates and Reports a Commodity Index*

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the “**Successor Index Sponsor**”) acceptable to the Issuer, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Commodity Index.

- (B) *Modification and Cessation of Calculation of a Commodity Index*

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine

events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index, then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that composed that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

#### **4 Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.



## Annex 5: Terms and Conditions Currency Warrants

*If Currency Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Currency Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Currency Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Currency Warrants Conditions the Currency Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Currency Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Currency Warrants Conditions, the following terms shall have the meanings set out below:

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

“**Base Currency**” means the base currency specified as such in the relevant Final Terms.

“**Basket of Currencies**” means a basket composed of the Currencies specified in the relevant Final Terms in the relative proportions or numbers of Currencies specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of any Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of the currency relating to its hedge position in respect of such Warrants or (ii) it will incur a materially increased cost in performing its obligations under such Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“**Disrupted Day**” means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

“**Dual Exchange Rate**” means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s). “**Illiquidity Disruption**” means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Warrants (in one or more transaction(s)) on the relevant Settlement Price Date (or, if different, the day on which rates for such Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the

Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Inconvertibility Event”** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (A) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency into countries other than the countries for which the Subject Currency or Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future repatriation of the Base Currency into the Subject Currency); and
- (B) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any specified financial centre(s) in accordance with normal market practice.

**“Price Source”** means, in respect of a Subject Currency, the price source(s) specified in the relevant Final Terms for such Subject Currency or if the relevant rate is not published or announced by such Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

**“Price Source Disruption”** means that it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate or rates required to calculate the Settlement Price.

**“Scheduled Trading Day”** means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies.

**“Settlement Price”** means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, subject to Valuation Dates or Averaging Dates, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent); or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of

the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting.

“**Settlement Price Date**” means the Valuation Date or any Averaging Date, as the case may be.

“**Specified Maximum Days of Disruption**” means the number of days specified in the relevant Final Terms, or, if not so specified, five Scheduled Trading Days.

“**Subject Currency**” means each subject currency specified as such in the relevant Final Terms and together (the “**Subject Currencies**”).

“**Trading Suspension or Limitation**” means the suspension of and/or limitation of trading in the rate(s) required to calculate the relevant Settlement Price in the interbank market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

“**Valuation Date**” means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Currency, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Currencies, the Valuation Date for each Currency not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Currency affected (each an “**Affected Currency**”) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Currency, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Currency notwithstanding the fact that such day is a Disrupted Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means, unless otherwise specified in the relevant Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

## 2 Disruption Events

Unless otherwise stated in the relevant Final Terms the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a “**Disruption Event**”:

- (A) Price Source Disruption;
- (B) Illiquidity Disruption;
- (C) Inconvertibility Event;
- (D) Dual Exchange Rate;

- (E) any other event that, in the opinion of the Calculation Agent, is analogous to (A), (B), (C) or (D); or
- (F) any other event specified in the relevant Final Terms.

The Calculation Agent shall give notice as soon as practicable to Warrantholders in accordance with General Warrants Condition 10 of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been a Settlement Price Date.

### 3 Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

“**Disruption Fallback**” means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i) or (ii) below.

- (A) if a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Settlement Price Date shall be the first succeeding Valid Date unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following Settlement Price Date, as the case may be, is a Disrupted Day, in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Settlement Price Date (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive Scheduled Trading Day, taking into consideration all available information that in good faith it deems relevant; or
- (B) if any Settlement Price Date is a Disrupted Day but is not the Valuation Date, on giving notice to Warrantholders in accordance with General Warrants Condition 10, the Issuer shall cancel all but not some only of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

### 4 Consequences of an Additional Disruption Event

- (A) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
  - (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the terms and conditions of the Warrants, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable

law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

- (B) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## Annex 6: Terms and Conditions of Debt Warrants

*If Debt Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Debt Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Debt Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Debt Warrants Conditions the Debt Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Debt Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Futures Warrants Conditions, the following terms shall have the meanings set out below:

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

“**Basket of Debt Securities**” means a basket composed of the Fund Interests specified in the relevant Final Terms and in the relative proportions specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of any Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of the currency relating to its hedge position in respect of such Warrants or (ii) it will incur a materially increased cost in performing its obligations under such Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Debt Security**” means each of the Debt Securities specified as such in the relevant Final Terms and together the (“**Debt Securities**”).

“**Early Closure**” means, in respect of a Debt Security, the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day.

“**Exchange**” means, in relation to Debt Warrants in relation to a Debt Security, each exchange or quotation system specified as such for such Debt Security in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Debt Security has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Debt Security on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of a Debt Security, any Scheduled Trading Day on which the relevant Exchange in respect of such Debt Security is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of a Debt Security, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Debt Security on the Exchange.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Market Disruption Event**” means, in relation to Warrants relating to a single Debt Security or a Basket of Debt Securities, in respect of a Debt Security the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (C) an Early Closure.

“**Scheduled Closing Time**” means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means any day on which the relevant Exchange(s) is scheduled to be open for trading for its regular trading sessions.

“**Settlement Price**” means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in

such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting.

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

“**Valuation Date**” means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Debt Securities, the Valuation Date for each Debt Security not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Debt Security affected (each an “**Affected Debt Security**”) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Debt Security, unless each of the eight Scheduled Trading Days immediately following is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Debt Security, notwithstanding the fact that such day is a Disrupted Day and otherwise in accordance with the above provisions.

“**Valuation Time**” means, unless otherwise specified in the relevant Final Terms, the time at which the Settlement Price is published from which the Settlement Price is calculated.

## **2 Correction of Debt Security Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

## **3 Consequences of an Additional Disruption Event**

- (A) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
  - (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the terms and conditions of the Warrants, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If



the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

- (B) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## Annex 7: Terms and Conditions of Futures Warrants

*If Futures Warrants as applicable in the relevant Final Terms, the terms and conditions applicable to Futures Warrants shall comprise the General Warrants Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Futures Warrants Conditions**”). In the event of any inconsistency between the General Warrants Conditions and the Futures Warrants Conditions the Futures Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Futures Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

For the purposes of these Futures Warrants Conditions, the following terms shall have the meanings set out below:

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

“**Additional Disruption Event**” means a Change in Law and/or any such other event specified in the relevant Final Terms.

“**Basket of Futures**” means a basket composed of each Future specified in the relevant Final Terms in the relative proportions specified in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date of any Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of the currency relating to its hedge position in respect of such Warrants or (ii) it will incur a materially increased cost in performing its obligations under such Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Early Closure**” means, in respect of a Future, the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day.

“**Exchange**” means, in relation to a Future, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means, in respect of a Future, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange.

“**Futures**” means, subject to adjustments in accordance with this Annex 7, in the case of an issue of Warrants relating to a single Future, the futures contract and, in the case of an issue of Warrants relating to a Basket of Futures, each futures contract, specified in the relevant Final Terms, and related expressions shall be construed accordingly.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Market Disruption Event**” means, in relation to Warrants relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (C) an Early Closure.

“**Scheduled Closing Time**” means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means any day on which the relevant Exchange(s) is scheduled to be open for trading for its regular trading sessions.

“**Settlement Price**” means, in relation to each Cash Settled Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Future, an amount equal to the official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Future quoted on the relevant Exchange on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined the Calculation Agent’s good faith estimate of the value of the Future as of the actual closing time of the Exchange on the relevant date (or the value of the Future at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms). The amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Settlement Price; or

(B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Futures, an amount equal to the sum of the values calculated for each Futures as the official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Futures quoted on the relevant Exchange on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined the Calculation Agent's good faith estimate of the value of the Futures as of the actual closing time of the Exchange on the relevant date (or the value of the Futures at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Settlement Price.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

**“Valuation Date”** means (unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day:

(A) where the Warrants are specified in the relevant Final Terms to relate to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or

(B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Futures, the Valuation Date for each Future not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Future affected (each an **“Affected Future”**) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Future, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Future, notwithstanding the fact that such day is a Disrupted Day and otherwise in accordance with the above provisions.

## 2 Adjustments

(A) *Futures Modification, Futures Replacement or Futures Delisting*

If, on or prior to the last Valuation Date or the last Averaging Date, (i) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a **“Futures Modification”**), (ii) the relevant Exchange substitutes the Future(s) with a new Future(s) contract (a **“Futures Replacement”**) or (iii) the relevant Exchange announces that the Future(s) ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European

Union) (a “**Futures Delisting**” and, together with a Futures Modification and a Futures Replacement, each a “**Futures Adjustment Event**”), then:

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine whether such Futures Modification or Futures Replacement has a material effect on the Warrants and, if so, shall use the Future(s) so modified or substitute Future(s) in lieu of the initial Future(s) for the purpose of making determination under the Warrants; or
- (ii) cancel the Warrants by giving notice to Warrantholders in accordance with General Warrants Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Warrants Condition 10.

*(B) Notice*

The Calculation Agent shall, as soon as practicable, notify the Issuer and Warrantholders of any determination made by it pursuant to paragraph (A) above and the action proposed to be taken in relation thereto and the Calculation Agent shall make available for inspection by Warrantholders copies of any such determinations.

### **3 Consequences of an Additional Disruption Event**

- (A) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
  - (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the terms and conditions of the Warrants, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) by giving notice to the Warrantholders in accordance with General Warrants Condition 10, the Issuer, in its sole and absolute discretion, may cancel all, but not some only, of the Warrants. If the Issuer cancels the Warrants then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Warrantholder, which amount shall be equal to the Cancellation Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Warrantholders in accordance with General Warrants Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

### **4 Price Correction**

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination under the Warrants is subsequently corrected and the correction published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the

original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

## FORM OF FINAL TERMS FOR WARRANTS

*Set out below is the form of Final Terms which will be completed for each issue of Warrants issued by the Issuer under the Programme.*

### FINAL TERMS

DATED [●]

#### RABOBANK STRUCTURED PRODUCTS

**Issue of [Aggregate Amount of tranche] [Title of Warrants] (the “Warrants”)  
issued pursuant to the Leveraged Certificates, Warrants and Certificates Programme**

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

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 35 of Part A below, provided such person is one of the persons mentioned in paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances.]<sup>8</sup>

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Warrants in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Warrants. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances.]<sup>9</sup>

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 27 October 2010[ and the offering circular supplement dated [●]], which

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<sup>8</sup> Consider including this legend where a non-exempt offer of Warrants is anticipated.

<sup>9</sup> Consider including this legend where only an exempt offer of Warrants is anticipated.

[together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular[, as so supplemented]. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Offering Circular[, as so supplemented]. The Warrants will be issued on the terms of these Final Terms read together with the Offering Circular[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Circular[, as so supplemented], contains all information that is material in the context of the issue of the Warrants. The Offering Circular[ and the offering circular supplement] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: [ir@rabobank.com](mailto:ir@rabobank.com); Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).

*(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 15) was issued under an Offering Circular with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated [original date][ and the Offering Circular Supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Offering Circular dated 27 October 2010. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated 27 October 2010[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms, the Offering Circular dated 27 October 2010[, as so supplemented,] and the Conditions. The Offering Circular [and the offering circular supplement] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: [ir@rabobank.com](mailto:ir@rabobank.com); Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).]

References herein to numbered Conditions are to the Terms and Conditions of the Warrants.

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

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

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

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



[A [Dutch][French][specify other] language description of the principal terms of the Warrants is contained in Annex I hereto.]

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

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

## DESCRIPTION OF THE WARRANTS

1	Issuer:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)
2	(a) Series Number:	[●]
	(b) Tranche Number:	[●]
3	Consolidation:	<i>(If fungible with an existing Tranche insert:)</i> [The Warrants issued pursuant to these Final Terms will be consolidated and form a single series with [●] <i>(insert title of relevant series of Warrants)</i> (the “ <b>Tranche 1 Warrants</b> ”), issued pursuant to the Final Terms dated [●], with effect from [●].]
4	Type of Warrants:	(i) [Call]/[Put Warrants] (ii) [Index Warrants]/[Equity Warrants]/[Currency Warrants]/[Commodity Warrants]/[Fund Warrants/Debt Warrants]/[Futures Warrants]/[●] <i>(specify other type of Warrant)</i> (iii) [European]/[American]/ <i>other</i> style
5	Form of Warrants:	Registered
6	Issue Date:	[●]
7	Trade Date:	[●]
8	Issue Price:	The issue price per [Warrant]/[Unit] is [●].
9	Number of Warrants being issued:	[●]
10	Units:	[Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out above. ]/[Not Applicable] <i>(This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below).</i>
11	Exercise Date:	[[●] (the “ <b>Scheduled Exercise Date</b> ”), provided that, if such date is not an Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Business Day. ]/[Not Applicable] <i>(Only applicable in relation to European Style Warrants)</i>

12	Exercise Period:	[The Exercise Period in respect of the Warrants is from and including [●] to and including [●], or, if [●] is not an Business Day, the immediately succeeding Business Day]./[Not Applicable] <i>(Only applicable in relation to American Style Warrants)</i>
13	Exercise Price:	The Exercise Price per [Warrant]/[Unit] is [●]. <i>(This should, in the case of an Index Warrants, be expressed as a monetary value)</i>
14	Exchange Rate:	[The exchange rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount is [●].]/[Not Applicable]
15	Minimum Exercise Number:	The minimum number of Warrants that may be exercised on any day by any Warrantholder is [●] [and Warrants may only be exercised in integral multiples of [●] Warrants in excess thereof].
16	Maximum Exercise Number:	The maximum number of Warrants that must be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [●]. <i>(Not applicable for European Style Warrants)</i>
17	Settlement Date:	[[●]/As per the Conditions] <i>(For Cash Settled Warrants, consider providing for postponement of the Settlement Date if (i) the Final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)</i>
18	Valuation Date(s):	[[●] (Give dates)]/Not Applicable]
19	Valuation Time:	[As set out in the Conditions/[●] (Specify other)
20	Averaging Dates:	[[●] (Give details)]/[Not Applicable]
	[Adjustment provisions in the event of a Disrupted Day:]	[Omission]/[Postponement]/[Modified Postponement]
21	Cash Settlement Amount:	<i>[Insert details of how Cash Settlement Amount is to be calculated/ As per General Warrants Condition 4]</i>
22	Settlement:	Settlement will be by way of [cash payment (“ <b>Cash Settled</b> ”)] [and/or] [physical delivery (“ <b>Physical Delivery</b> ”)].
23	Issuer’s option to vary settlement:	The Issuer [has]/[does not have] the option to vary settlement in respect of the Warrants.
24	Settlement Currency:	[●] (Give details)
25	Business Day Centre(s):	[●]
26	Early Redemption Unwind Costs	[Standard Early Redemption Unwind Costs]/[other – specify]

27 Calculation Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(trading as Rabobank International)

**PROVISIONS RELATING TO TYPE OF WARRANTS**

- 28 **Index Warrants** [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
[The provisions of the Index Warrant Conditions shall apply.]
- (a) Whether the Warrants relate to a single Index or Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index: [Single Index]/[Basket of Indices]  
*(If a Basket of Indices, give details for each Index)*  
Index/Indices: [●] *(Give details)* (Bloomberg® code: [●])  
Multi-Exchange Index: [Not Applicable/ Applicable]  
*(Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)*
- (b) Name of Index Sponsor(s): [●]
- (c) Index Currency [●]
- (d) Settlement Price: [●]/[As per the Index Warrant Conditions]  
*(Complete only if different from definition contained in the Conditions)*
- (e) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (f) Exchange(s): [●]
- (g) Related Exchange: [All Exchanges]/[●] *(Give details)*
- (h) Additional Disruption Events: [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
[Change of Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Insolvency Filing]  
*[other - specify]*
- (i) Weighting: [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable]  
*(Only applicable in relation to Index Warrants relating to a Basket)]*
- 29 **Equity Warrants** [Not Applicable/ Applicable]

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

[The provisions of the Equity Warrants Conditions shall apply.]

- (a) Whether the Warrants relate to a single Equity or Basket of Equities and the identity of the Equity Issuer(s) of the relevant Equity/Equities: [Single Equity]/[Basket of Equities]  
*(If a Basket of Equities, give details for each Equity)*  
(i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)];  
(ii) Equity Issuer(s): [●] (Bloomberg® code: [●]);  
(iii) the ISIN/Common Code of Equity/Equities: [[●]/See Schedule]]
- (b) Settlement Price: [●]  
*(Complete only if different from definition contained in the Conditions)*
- (c) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (d) Exchange(s): [●]
- (e) Related Exchange: [●]/[All Exchanges]
- (f) Additional Disruption Events: [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
[Change of Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Insolvency Filing]  
*[other - specify]*
- (g) Weighting: [The weighting to be applied to each item comprising the Basket is [●]./[Not Applicable]  
*(Only applicable in relation to Futures Warrants relating to a Basket)*

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**Debt Warrants**

[Not Applicable/ Applicable]

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

[The provisions of the Debt Warrant Conditions shall apply.]

- (a) Whether the Warrants relate to a single Debt Security or Basket of Debt Securities and the identity of the relevant Debt Security/Debt Securities: [Single Debt Security]/[Basket of Debt Securities]  
[(ISIN: [●])]  
*(If a Basket of Debt Securities, give details for each Debt Security)*

- (b) Settlement Price: [●]  
*(Complete only if different from definition contained in the Conditions)*
- (c) Redemption of Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the Debt Warrants, *[insert appropriate fallback provisions]*.
- (d) Relevant Screen Page: [●]
- (e) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (f) Additional Disruption Events [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
[Change of Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Insolvency Filing]  
*[other - specify]*
- (g) Weighting: [The weighting to be applied to each item comprising the Basket is [●]. *(Only applicable in relation to Debt Warrants relating to a Basket)*]
- 31 **Currency Warrants** [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
[The provisions of the Currency Warrant Conditions shall apply.]
- (a) Whether the Warrants relate to a single Currency or Basket of Currencies and the identity of the relevant Currency/ Currencies: [Single Currency]/[Basket of Currencies]  
[●] *(Give details)*  
*(If a Basket of Currencies, give details for each Currency)*
- (b) Relevant Screen Page: [●]
- (c) Base Currency: [●]
- (d) Subject [Currency/Currencies]: [●]
- (e) Price Source: [●]
- (f) Settlement Price: [●]  
*(Complete only if different from definition contained in the Conditions)*
- (g) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the*

- Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (h) Additional Disruption Event: [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
 [Change of Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [Insolvency Filing]  
 [other - specify]
- (i) Weighting: [The weighting to be applied to each item comprising the Basket is [●]/[Not Applicable]  
*(Only applicable in relation to Currency Warrants relating to a Basket)*
- 32 **Commodity Warrants** [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
 [The provisions of the Commodity Warrant Conditions shall apply.]
- (a) Whether the Warrants relate to a single Commodity or Commodity Index or a Basket of Commodities or Commodity Indices and the identity of the relevant Commodity/Commodities or Commodity Index/Commodity Indices:  
 [Single Commodity or Commodity Index ]/[Basket of Commodities or Commodity Indices]  
 [●] *(Give details)*  
*(If a Basket of Commodities or Commodity Indices, give details for each Commodity or Commodity Index)*
- (i) Commodity Reference Price: [●];  
 (ii) Specified Commodity: [●];  
*(Include type or grade if relevant, the location of delivery and any other details)*  
 (iii) Unit: [●];  
 (iv) Exchange: [●];  
 (v) Relevant Currency: [●];  
 (vi) Specified Price: [●];  
 (vii) Delivery Date: [●]/[Not Applicable]
- (The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that Delivery Date, stated in that currency, as announced or published by that Exchange on the Pricing Date)*
- (i) Commodity Reference Price: [●];  
 (ii) Specified Commodity: [●];  
 (Include type or grade if relevant, the location of

delivery and any other details)

- (iii) Unit: [●];
- (iv) Price Source: [●];
- (v) Reference Dealers: [[●]/Not Applicable];
- (vi) Heading: [●];
- (vii) Relevant Currency: [●];
- (viii) Specified Price: [●];
- (ix) Delivery Date: [●]/[Not Applicable]

*(The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity and, if applicable, for delivery on that Delivery Date, stated in that currency, published (or shown) in the issue of the Price Source that reports prices effective on that Pricing Date)*

(b) Name of Index Sponsor(s): [●]

(c) Settlement Price: [●]

*(Complete only if different from definition contained in the Conditions)*

(d) Exchange(s) [●]

(e) Disrupted Day: [Not Applicable/ Applicable]

*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*

(f) Disruption Fallback

[Fallback Reference Dealers]

[Fallback Reference Price]

[Postponement]

[Calculation Agent Determination]

[Delayed Publication or Announcement]

*(delete as applicable and place in preferred order)/[In the following order:*

- (a) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of the applicable Maximum Days of Disruption; provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Price within the period of the applicable Maximum Days of Disruption); and
- (b) Calculation Agent Determination.]

(c) Maximum Days of Disruption

[2 days]/[●] *(Give details)/[Not Applicable]*

	(d) Price Materiality Percentage	[[●] per cent. ( <i>Give details</i> )/[Not Applicable]
	(e) Additional Disruption Events	[Not Applicable/ Applicable] <i>(If applicable, specify which of the following events are applicable:)</i> [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [[●]( <i>other - specify</i> )]
	(f) Weighting:	[The weighting to be applied to each item comprising the Basket is [●]./[Not Applicable] <i>(Only applicable in relation to Commodity Warrants relating to a Basket)</i>
33	<b>Fund Warrants</b>	[Not Applicable/ Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> [The provisions of the Fund Warrant Conditions shall apply.]
	(a) Whether the Warrants relate to a single Fund or a Basket of Funds and the identity of the relevant Fund/Funds:	[Single Fund]/[Basket of Funds] [[●] (ISIN: [●])] <i>(If a Basket of Funds, give details for each Fund)</i>
	(b) Fund Interest Unit:	The [●] ( <i>insert currency</i> ) class of the ( <i>shares/non-voting shares/participating shares/units</i> ) of the Fund (ISIN: [●])
	(c) Fund Administrator:	[Not Applicable]/[●] ( <i>Give details</i> )
	(d) Fund Advisor:	[Not Applicable]/[●] ( <i>Give details</i> )
	(e) Fund Manager:	[Not Applicable]/[●] ( <i>Give details</i> )
	(f) Fund Service Provider:	[Not Applicable]/[●] ( <i>Give details</i> )
	(g) NAV Barrier:	[●]
	(h) NAV Trigger Percentage:	[●]
	(i) NAV Trigger Period:	[●]
	(j) Number of NAV Publication Days:	[●]
	(k) Settlement Price:	[●] <i>(Complete only if different from definition contained in the Conditions)</i>
	(l) Additional Extraordinary Fund Event:	[●]
	(m) Potential Replacement Index:	[●] ( <i>Give details</i> )
	(n) Calculation Date:	[●]
	(o) Termination Date:	[●]



- (p) Termination Amount: [●]
- (q) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (r) Additional Disruption Events: [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
 [Change of Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [Insolvency Filing]  
 [[●](Specify other)]
- (s) Additional Fund Documents [●] *(Give details)*
- (t) Weighting: [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable]  
*(Only applicable in relation to Funds Warrants relating to a Basket)*

34

**Futures Warrants**

- [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
 [The provisions of the Futures Warrant Conditions shall apply.]
- (a) Whether the Warrants relate to a single Future or a Basket of Futures and the identity of the relevant Future/Futures: [Single Future]/[Basket of Futures]  
 [[●] *(Give details)*]  
*(If a Basket of Futures, give details for each Fund)*
- (b) Settlement Price: [●]  
*(Complete only if different from definition contained in the Conditions)*
- (c) Exchange(s): [specify]
- (d) Disrupted Day: [Not Applicable/ Applicable]  
*(If applicable, consider provisions for calculation of the Settlement Price if a Disrupted Day occurs which are included in the Conditions and, if they are not appropriate, insert appropriate provisions)*
- (e) Additional Disruption Events: [Not Applicable/ Applicable]  
*(If applicable, specify which of the following events are applicable:)*  
 [Change of Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]

- [Insolvency Filing]  
 [[●](*other - specify*)]  
 (f) Weighting: [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable]  
*(Only applicable in relation to Futures Warrants relating to a Basket)*

#### PROVISIONS FOR PHYSICAL DELIVERY

- 35 Relevant Asset(s): [●]/[Not Applicable]  
 36 Entitlement: [The Entitlement (as defined in General Warrants Condition 3) in relation to each Warrant is [●].]/[Not Applicable]  
 [The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*]. / [Not Applicable]  
 [The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*]. / [Not Applicable]  
*(Paragraphs in this section are only applicable in relation to Physical Delivery Warrants)*

#### DISTRIBUTION

- 37 Method of distribution: [Syndicated]/[Non-Syndicated]  
 (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/[*give names, and addresses and underwriting commitments*]  
*(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*  
 (b) Date of Subscription Agreement: [●]  
 38 Stabilising Manager (if any): [●]  
 39 If non-syndicated, name and address of relevant Dealer: [Not Applicable]/[*give name and address*]  
 40 Total commission and concession: [[●] per cent of the aggregate nominal amount]  
 41 Non-exempt Offer:<sup>10</sup> [Not Applicable] [An offer of Warrants may be made by the Manager[s] [and [*specify names [and addresses]*] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in Non-exempt Offers (e.g. “other parties authorised by the

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<sup>10</sup> Not relevant for an issue of Warrants with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency)

*Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (“**Offer Period**”). See further Paragraph 13 of Part B below.*

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the offering circular (and any supplement) has been notified/passported.)*

42 Additional selling restrictions: [Not Applicable]/[give details]

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [listing and admission to trading on [Euronext Amsterdam/[●] (*Specify other*)]] of the Warrants described herein pursuant to the Programme for issuance of Leveraged Certificates, Warrants and Certificates of Rabobank Structured Products.

## **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION<sup>11</sup>

### 1 LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on [NYSE Euronext in Amsterdam/[•] (*Specify other relevant regulated market and, if relevant, admission to an official list*)] with effect from[, at the earliest, the Issue Date/[•] (*Specify date*)].]/[Not Applicable]
- (b) Estimate of total expenses related to admission to trading: [•]

### 2 RATINGS

- Ratings: [Not Applicable/ Applicable]  
(*If applicable, give details:*)  
[The Warrants to be issued have been rated:]  
[Standard & Poor's: [•]]  
[Moody's: [•]]  
[Other: [•]]  
(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)  
(*The above disclosure should reflect the ratings allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

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

- (a) Reasons for the offer: [[•]]  
(*See "Use of Proceeds" wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here*)
- (b) Estimated net proceeds: [•]  
(*If proceeds are intended for more than one use will need to split*)

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

*out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)*

- (c) Estimated total expenses: [•] *[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]*

**5 PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (*INDEX WARRANTS ONLY*)**

*[Need to include details of where past and future performance and volatility of [the/each] index can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.] [Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]*

*[The Issuer does not intend to produce any post-issuance information]*

**6 PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (*EQUITY WARRANTS ONLY*)**

*[Need to include details of the name of [the/each] Equity company, any security identification number of the Equities, where pricing information about the Equities is available and where past and future performance and volatility of the [Equity/Basket of Equities] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

**7 INFORMATION IN RELATION TO THE DEBT SECURITY/SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE DEBT SECURITY/SECURITIES] (*DEBT WARRANTS ONLY*)**

*[Need to include details of the name of the issuer, the ISIN (International Securities Identification Number) of the Debt Security(s) and where pricing information on and where past and future performance and volatility of the debt security/ securities can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

**8 PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION**

**CONCERNING [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES]] (COMMODITY WARRANTS ONLY)**

*[Need to include details of [the/each] [commodity/commodity index], where pricing information about [the/each] [commodity/commodity index] is available, [the relevant weighting of each [commodity/commodity index] within a [Basket of commodities/commodity indices]] and where past and future performance and volatility of [the commodity/Basket of commodities/commodity index/Basket of commodity indices] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

**9 PERFORMANCE OF [THE FUND/BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND /BASKET OF FUNDS]] (FUND WARRANTS ONLY)**

*[Need to include details of [the/each] fund, [the relevant weighting of each fund within a Basket of funds] and where past and future performance and volatility of [the/each] [fund/Basket of funds] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

**10 PERFORMANCE OF [THE FUTURE/BASKET OF FUTURES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUTURE/BASKET OF FUTURES]] (FUTURES WARRANTS ONLY)**

*[Need to include details of [the/each] future, [the relevant weighting of each future within a Basket of future] and where past and future performance and volatility of [the/each] [future/Basket of futures] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

**11 PERFORMANCE OF [THE CURRENCY/CURRENCY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE CURRENCY/CURRENCY INDEX] (CURRENCY WARRANTS ONLY)**

*[Need to include details of [the/each] [currency/currency index], where pricing information about [the/each] [currency/currency index] is available, [the relevant weighting of each [currency/currency index] within a [Basket of currencies/currency indices]] and where past and future performance and volatility of [the currency/Basket of currencies/currency index/Basket of currency indices] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]*

*[The Issuer does not intend to produce any post-issuance information]*

## 12 OPERATIONAL INFORMATION

- (a) ISIN Code: [•]  
(*If fungible with an existing Series insert:*)  
[Pending consolidation with the Tranche 1 Notes: [•]  
Following consolidation with the Tranche 1 Notes:  
[•]]
- (b) Common Code [•]  
(*If fungible with an existing Series insert:*)  
[Pending consolidation with the Tranche 1 Notes: [•]  
Following consolidation with the Tranche 1 Notes:  
[•]]
- (c) [Clearing System(s):] [Euroclear Netherlands]/[other]
- (d) [Any clearing system(s) other than Euroclear Netherlands:] [Not Applicable]/[give name(s) and number(s)]

## 13 TERMS AND CONDITIONS OF THE OFFER (*Public Offer Only*)

- (a) Offer Price: [Issue Price]/[give details]
- (b) Conditions to which the offer is subject: [Not Applicable]/[give details]
- (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable]/[give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable]/[give details]
- (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable]/[give details]
- (f) Details of the minimum and/or maximum amount of application:<sup>12</sup> [Not Applicable]/[give details]
- (g) [Details of the method and time limits for paying up and delivering the Warrants:] [Not Applicable]/[give details]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable]/[give details]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable]/[give details]
- (j) [Categories of potential investors to which the Warrants are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable]/[give details]

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<sup>12</sup> Whether in number of certificates or aggregate amount to invest.

- (k) [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable]/[give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable]/[give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable]/[give details]
- (n) [Description of the application process:] [Not Applicable]/[give details]



## SECTION C: TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions of the Certificates (the “**General Certificates Conditions**”) which will apply to each issue of Certificates and which will include the additional terms and conditions contained in Annex 1 in the case of Equity Certificates, Annex 2 in the case of Fund Certificates, Annex 3 in the case of Index Certificates, Annex 4 in the case of Commodity Certificates, Annex 5 in the case of Currency Certificates, Annex 6 in the case of Debt Certificates and Annex 7 in the case of Futures Certificates and which will be subject to completion and/or amendment in Part A of the relevant Final Terms. In the event of any inconsistency between the General Certificates Conditions and the Final Terms, the Final Terms shall prevail.*

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or “**Issuer**”) may from time to time issue exercisable certificates (such exercisable certificates being hereinafter referred to as the “**Certificates**”) issued pursuant to an amended and restated agency agreement (as modified, supplemented and/or restated as at the issue date of the Certificates) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the “**Issuing and Paying Agent**”, which expression shall include any additional or successor Issuing and Paying Agent), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named therein (each a “Paying Agent” and, together with the Issuing and Paying Agent and the Euroclear Netherlands Fiscal Agent, the “**Paying Agents**”, which expression shall include any additional or successor Paying Agents) dated 27 October 2010 (the “**Agency Agreement**”).

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Certificates as set out below and in the relevant Final Terms unless another entity is so specified as the calculation agent in the relevant Final Terms in which case the expression Calculation Agent shall, in relation to the relevant Certificates, include such other specified calculation agent.

No Certificates in definitive form will be issued. The Certificates will be registered securities in dematerialised and uncertificated book-entry form with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). No physical global certificates or certificates will be issued in respect of Certificates. The Certificates are issued subject to and in accordance with the General Certificates Conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the terms and conditions (Books I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the “**Regulations**”). The right to request delivery (*uitlevering*) of Certificates is excluded.

The relevant Final Terms for the Certificates supplement these General Certificates Conditions and may specify other terms and conditions that shall, to the extent so specified or to the extent inconsistent with these General Certificates Conditions, supplement, replace or modify these General Certificates Conditions for the purposes of the Certificates.

References herein to the “relevant Final Terms” are to the Final Terms related to a specific issue of Certificates registered with Euroclear Netherlands.

Copies of the Agency Agreement and the ISDA Definitions (as defined below) may be obtained during normal business hours at the specified offices of each of the Paying Agents.

Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and the specified offices of the Paying Agents and copies may be obtained during normal business hours at the specified office of each of the Paying Agents save that, if the Certificate is neither listed on a stock exchange nor admitted to trading on a regulated market in the European Economic Area nor offered in the European

Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the relevant Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Certificates and identity. The Certificateholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (insofar as they relate to the Certificates) and the relevant Final Terms which are applicable to them.

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

## **1 Type, Title and Transfer**

### *(A) Type*

The Certificates are Fixed Rate Certificates, Floating Rate Certificates, Equity Certificates, Fund Certificates, Index Certificates, Commodity Certificates, Currency Certificates, Debt Certificates or Futures Certificates. Certain terms which will, unless otherwise varied in the relevant Final Terms, apply to these different forms of Certificates are set out in Annexes 1 to 7 of this section titled “*Terms and Conditions of the Certificates*” as applicable.

The relevant Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Certificates**”) or physical delivery (“**Physical Delivery Certificates**”), whether Cash Settled Certificates are redeemable in instalments and whether averaging (“**Averaging**”) will apply to the Certificates. If Averaging is specified as applying in the relevant Final Terms, the relevant Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in General Certificates Condition 3 below) applies. If so specified in the relevant Final Terms, interest shall be payable in respect of the Certificates.

References in these General Certificates Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (i) Physical Delivery Certificates which include an option (as set out in the relevant Final Terms) at the Issuer’s election to request cash settlement of such Certificate pursuant to General Certificates Condition 6(C)(i) and where settlement is to be by way of cash payment and (ii) Physical Delivery Certificates where settlement is to be automatically varied to be by way of cash payment pursuant to General Certificates Condition 6(C)(ii).

References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the relevant Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to General Certificates Condition 6(C)(i) and where settlement is to be by way of physical delivery.

Certificates may, if specified in the relevant Final Terms, allow Certificateholders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the relevant Final Terms. Those Certificates where the Certificateholder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Certificateholder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Certificateholder as described in this paragraph may be subject to the Issuer’s right to vary settlement as indicated in the relevant Final Terms and will be subject to the Issuer’s right to substitute assets or

pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these General Certificates Conditions.

(B) *Title to Certificates*

Title to the Certificates shall pass by book-entry in accordance with the Securities Giro Act and the Regulations. Rights in respect of the Certificates shall belong to a community to be subdivided into as many equal denominations (referred to in the Regulations as *coupures*) as there are Certificates in the relevant series.

(C) *Transfers of Certificates*

Transfer and delivery of denominations shall take place solely between or through the intermediary of admitted institutions (“**Admitted Institutions**”, defined in the Regulations as *aangesloten instellingen*) of Euroclear Netherlands. A holder of a co-ownership right in respect of the community of denominations is referred to as a “**Certificateholder**”.

(D) *Payments in respect of Certificates*

All payments in respect of the Certificates shall be made in accordance with the Regulations. In particular, payment of principal or any other payments on or in respect of the Certificates to the Certificateholders will be effected through Admitted Institutions (*aangesloten instellingen*) of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Certificates to an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Certificateholders. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Admitted Institutions which according to Euroclear Netherlands’ record hold a share in the *girodepot* (as referred to in the Securities Giro Act) with respect to such Certificates, the relevant payment to be made in proportion with the share in such *girodepot* held by each of such Admitted Institutions in accordance with the relevant provisions of the Regulations. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

Transfers of Certificates may not be effected after (i) the exercise of such Certificates pursuant to General Certificates Condition 5, or (ii) the date upon which the Issuer gives notice to the Certificateholders of its intention to terminate the Certificates pursuant to the Issuer Call Option.

Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Issuing and Paying Agent from time to time and notified to the Certificateholders in accordance with General Certificates Condition 10.

(E) *Delivery of Certificates*

Delivery of any Certificates shall be effected by delivery against payment.

## 2 **Status of the Certificates**

The Certificates constitute direct, unsubordinated and unsecured obligations of the Issuer and shall, at all times, rank *pari passu* among themselves and (subject to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

### 3 Definitions

For the purposes of these General Certificates Conditions, the following general definitions will apply:

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity under common control with the First Entity. As used herein, “**control**” means the ownership of a majority of the voting power of an entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Analogous Event**” means any analogous event to any of the Additional Disruption Event as determined by the Calculation Agent.

“**Averaging Date**” means:

- (A) in the case of Index Certificates, Equity Certificates or Currency Certificates, each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
- (i) if “**Omission**” is specified as applying in the relevant Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
  - (ii) if “**Postponement**” is specified as applying in the relevant Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
  - (iii) if “**Modified Postponement**” is specified as applying in the relevant Final Terms, then:
    - (a) where the Certificates are Index Certificates relating to a single Index or Equity Certificates relating to a single Equity, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (1) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (2) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (A)(i) of the definition of Valuation Date;
    - (b) where the Certificates are Index Certificates relating to a basket of Indices or Equity Certificates relating to a Basket of Equities, the Averaging Date for each Index or Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “**Scheduled Averaging Date**”) and the Averaging Date for each Index or Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Equity. If the first succeeding Valid Date in relation to such Index or Equity has not occurred for a number

of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (1) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index or Equity, and (2) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (A) (ii) of the definition of “Valuation Date”; and

- (c) where the Certificates are Currency Certificates provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the relevant Final Terms; or

(B) in the case of Commodity Certificates, each date specified as such in the relevant Final Terms.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open (a “**Target Settlement Day**”) and a day on which the relevant Clearing System is open for business.

“**Cancellation Event**” means that, in the determination of the Calculation Agent, all or some of the Debt Securities are terminated or cancelled for any reason, and as a result thereof in the sole discretion of the Calculation Agent, such termination or cancellation either affects the aggregate hedge positions in respect of the Certificates or otherwise makes it impossible, impracticable or unduly onerous for the Issuer or the hedge provider to hedge the Issuer’s obligations in respect of the Certificates.

“**Cash Settlement Amount**” means, in relation to Cash Settled Certificates, the amount to which the Certificateholder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the relevant Final Terms.

“**Change in Law**” means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Equity (in the case of Equity Certificates) or any relevant hedge positions relating to an Index (in the case of Index Certificates).

“**Clearing System**” means Euroclear Netherlands and/or any additional or alternative clearing system approved by the Issuer and the relevant Paying Agent(s) from time to time and specified in the relevant Final Terms.

“**Currency Event**” means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any qualified investor (A) to convert the relevant currency (“**Local Currency**”) in which the Equities or any options or futures contracts or other hedging arrangement in relation to the Equities (for the purposes of hedging the Issuer’s obligations under the Certificates) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Equities or any options or futures contracts in relation to the Equities are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (B) for the Calculation Agent to

determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Certificates.

“**Cut-off Date**” means the date specified as such in the relevant Final Terms or if not so set out, the fifth Business Day immediately preceding the Redemption Date.

“**Determination Date(s)**” means the date(s) specified in the relevant Final Terms.

“**Determination Period**” means each period from and including, a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“**Distribution Compliance Period**” means the period expiring 40 days after completion of the distribution of the relevant Certificates unless a longer period is specified in the relevant Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and redemption applicable to the Certificates.

“**Early Redemption Amount**” means the amount specified in the relevant Final Terms or, if “**Standard Early Redemption Unwind Costs**” are specified in the relevant Final Terms, an amount determined by the Calculation Agent in its sole and absolute discretion equal to the sum of (without duplication) all costs, expenses (including loss of finding), tax and duties incurred by the Issuer in connection with the redemption of the Certificates and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Certificates.

“**Entitlement**” means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Certificateholder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Certificate Expenses as defined in General Certificates Condition 11) rounded down as provided in General Certificates Condition 6(B)(iv), as determined by the Calculation Agent, including any documents evidencing such Entitlement.

“**Exchange Rate**” means the exchange rate specified as such in the relevant Final Terms.

“**Exercise Date**” means, unless otherwise specified in the relevant Final Terms, the third Business Day preceding the relevant Scheduled Valuation Date in respect of the relevant Exercise.

“**Failure to Deliver due to Illiquidity**” means that, following the exercise of Physical Delivery Certificates, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets.

“**Fixed Coupon Amount**” means the fixed coupon amount specified as such in the relevant Final Terms.

“**Force Majeure Event**” means that, on or after the Trade Date, the performance of the Issuer’s obligations under the Certificates is prevented or materially hindered or delayed due to (A) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (B) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer’s control, or (C) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer and/or any of its Affiliates of all or substantially all of its assets in the Local Currency jurisdiction.

“**Government Authority**” means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court,

tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, but not limited to, the currency risk of the Issuer issuing and performing its obligations with respect to the Certificates, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

“**Hedging Equities**” means the number of Equities (in the case of Equity Certificates) or components comprised in an Index (in the case of Index Certificates) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates.

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange and interest risk) of the Issuer issuing and performing its obligations with respect to the Certificates, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Increased Cost of Stock Borrow**” means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Equity (in the case of Equity Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate.

“**Initial Stock Loan Rate**” means, in respect of an Equity (in the case of Equity Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the initial stock loan rate specified in relation to such Equity, security or commodity in the relevant Final Terms.

“**Insolvency Filing**” means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer or Basket Company shall not be deemed an Insolvency Filing.

“**Interest Commencement Date**” means the date specified as such in the relevant Final Terms.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Payment Date**” means each date on which interest for the relevant Interest Period falls due.

“**Local Time**” means local time in the city of the relevant Clearing System.

“**Loss of Stock Borrow**” means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Equity (in the case of Equity Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) in an amount equal to the Hedging Equities at a rate equal to or less than the Maximum Stock Loan Rate.

“**Maximum Stock Loan Rate**” means, in respect of an Equity (in the case of Equity Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the Maximum Stock Loan Rate specified in the relevant Final Terms.

“**Obligatory Redemption**” means the obligation of the Issuer to redeem the Certificates, in whole but not in part, on the applicable Obligatory Redemption Date by payment of the applicable Obligatory Redemption Amount.

“**Obligatory Redemption Amount**” means any amount calculated as specified in the relevant Final Terms.

“**Obligatory Redemption Date**” means the date specified in the relevant Final Terms as being the Obligatory Redemption Date.

“**Observation Date**” means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (A) where the Certificates are specified in the relevant Final Terms to relate to a single underlying, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Certificates are specified in the relevant Final Terms to relate to a basket of underlyings, the Observation Date for each underlying not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each underlying affected by the occurrence of a Disrupted Day (each an “**Affected Underlying**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Underlying unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Underlying. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Underlying, notwithstanding the fact that such day is a Disrupted Day, subject, in the case of Commodity Linked Certificates, to the Disruption Fallback provisions.

“**Observation Period**” means the period specified as the Observation Period in the relevant Final Terms.

“**Redemption Date**” means the date defined as such in General Certificates Condition 5(A).

“**Reference Banks**” means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that are most closely connected with the benchmark (which, if EURIBOR is the relevant benchmark, shall be the euro-zone).

“**Reference Rate**” means the reference rate specified as such in the relevant Final Terms.

“**Relevant Asset(s)**” means the asset(s) defined as such in the relevant Final Terms;

“**Relevant Screen Page**” means the relevant screen page specified as such in the relevant Final Terms.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading



Day, without regard to after hours or any other trading outside of the regular trading session hours, subject, in respect of Index Certificates, to sub-paragraphs (B) and (C) of the definition of Valuation Time, and subject, in respect of Equity Certificates, to sub-paragraph (C) of the definition of Valuation Time.

“**Scheduled Strike Date**” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date.

“**Scheduled Valuation Date**” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Settlement Currency**” means the currency specified as such in the relevant Final Terms.

“**Settlement Date**” means

(A) in relation to Cash Settled Certificates:

(i) where Averaging is not specified in the relevant Final Terms, the fifth Business Day following the final Valuation Date provided that if the Certificates are Index Certificates relating to a Basket of Indices, Equity Certificates relating to a Basket of Equities, Fund Certificates relating to a Basket of Funds, Futures Certificates relating to a Basket of Futures, Commodity Certificates relating to a Basket of Commodities, Currency Certificates relating to a Basket of Currencies, Debt Certificates relating to a Basket of Debt Securities and a Disrupted Day (as defined in) has resulted in a Valuation Date for one or more Indices, Equities, Funds, Futures, Commodities, Currencies or Debt Securities, as the case may be, being adjusted as set out in the definition of “Valuation Date” below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Equity, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, or (ii) where Averaging is specified in the relevant Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Certificates are Index Certificates relating to a Basket of Indices, Equity Certificates relating to a Basket of Equities, Fund Certificates relating to a Basket of Funds, Futures Certificates relating to a Basket of Futures, Commodity Certificates relating to a Basket of Commodities, Currency Certificates relating to a Basket of Currencies, Debt Certificates relating to a Basket of Debt Securities and a Disrupted Day (as defined in) has resulted in an Averaging Date for one or more Indices, Equities, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, being adjusted as set out in the definition of Averaging Date above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Equity, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, or such other date as is specified in the relevant Final Terms; and

(B) in relation to Physical Delivery Certificates: the date specified as such in the relevant Final Terms;

“**Specified Maximum Days of Disruption**” means (other than with respect to Commodity Certificates) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Final Terms.

“**Specified Time**” means the time specified as such in the relevant Final Terms.

“**Strike Date**” means, in the case of Index Certificates or Equity Certificates, the Strike Date specified in the relevant Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(A) where the Certificates are Index Certificates relating to a single Index or Equity Certificates relating to a single Equity, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the

Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the relevant Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (ii) in the case of Equity Certificates, in accordance with its good faith estimate of the relevant value or price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(B) where the Certificates are Index Certificates relating to a basket of Indices or Equity Certificates relating to a Basket of Equities, the Strike Date for each Index or Equity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index or Equity affected, as the case may be (each an “**Affected Item**”), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the relevant Final Terms or, if not set out or if not practicable, using:

- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (ii) in the case of an Equity, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur.

“**Valuation Date**” means in the case of Index Certificates, Equity Certificates or Debt Certificates, unless otherwise specified in the relevant Final Terms, the Valuation Date specified in the relevant Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (A) where the Certificates are Index Certificates relating to a single Index, Equity Certificates relating to a single Equity or Debt Certificates relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the relevant Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (i) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
  - (ii) in the case of Equity Certificates or Debt Certificates, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (B) where the Certificates are Index Certificates relating to a basket of Indices, Equity Certificates relating to a Basket of Equities or Debt Certificates relating to a basket of Debt Securities, the Valuation Date for each Index, Equity or Debt Security, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Equity or Debt Security affected, as the case may be (each an “**Affected Item**”), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the relevant Final Terms or, if not set out or if not practicable, using:
- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
  - (ii) in the case of an Equity or a Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,
- and otherwise in accordance with the above provisions.

“**Valuation Time**” means:

- (A) the Valuation Time specified in the relevant Final Terms; or
- (B) in the case of Index Certificates relating to a Composite Index, unless otherwise specified in the relevant Final Terms, (a) for the purposes of determining whether a Market Disruption Event has occurred: (i) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (ii) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (b) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (C) in the case of Index Certificates relating to Indices other than Composite Indices or Equity Certificates, unless otherwise specified in the relevant Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Equity to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“**Weighting**” means the weighting to be applied to each relevant Basket to ascertain the Settlement Price as specified in the Final Terms.

#### 4 Interest

If so specified in the relevant Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest (“**Fixed Rate Certificates**”), a floating rate of interest (“**Floating Rate Certificates**”) or by reference to the performance of one or more Index, Equity, Debt, Currency, Commodity, Fund or any other underlying security or any combination thereof in the manner specified in the relevant Final Terms (such Certificates being “**Index Linked Interest Certificates**”, “**Equity Linked Interest Certificates**”, “**Debt Linked Interest Certificates**”, “**Currency Linked Interest Certificates**”, “**Commodity Linked Interest Certificates**” and “**Fund Linked Interest Certificates**” respectively):

(A) *Interest on Fixed Rate Certificates*

Each Fixed Rate Certificate pays interest calculated from and including the Interest Commencement Date at the rate(s) per annum equal to the rate(s) of interest (the “**Rate of Interest**”). Interest will accrue in respect of each Interest Period. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Redemption Date. If an Interest Payment Date falls after the final Interest Period End Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If one of the Business Day Conventions set put in (i) to (iii) below is specified in the relevant Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “**Following Business Day Convention**”, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (ii) the “**Modified Following Business Day Convention**”, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

- (iii) the “**Preceding Business Day Convention**”, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the relevant Final Terms except as provided in the relevant Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on but excluding the Interest Period End Date in respect of such Interest Period will amount to the Fixed Coupon Amount.

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

*(B) Interest on Floating Rate Certificates and Linked Interest Certificates*

- (i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of General Certificates Condition 4(D) and unless otherwise specified in the relevant Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with General Certificates Condition 4(E) in respect of each Interest Period. For the purposes of this General Certificates Condition 4(B) “**Interest Period End Date**” shall mean either: (i) the Interest Period End Date(s) in each year specified in the relevant Final Terms or (ii) if no Interest Period End Date(s) is/are specified in the relevant Final Terms, each date which falls the number of months or other period specified as the Specified Period in the relevant Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Redemption Date. If an Interest Payment Date falls after an Interest Period End Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the relevant Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with General Certificates Condition 4(B)(ii), the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which

falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

- (b) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

The rate of interest payable from time to time in respect of Floating Rate Certificates and Linked Interest Certificates (the “**Rate of Interest**”) will be determined in the manner specified in the relevant Final Terms.

(iii) ISDA Determination

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

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

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

(iv) Screen Rate Determination

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

- (a) the offered quotation; or

- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the relevant Final Terms (which will be 11:00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of sub-paragraph (a), no offered quotation appears or, in the case of sub-paragraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent that it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the

last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

(v) Determination of Rate of Interest and calculation of Interest Amount

In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the “**Interest Determination Date**”), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the relevant Final Terms) for the relevant Interest Period. In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the “**Interest Amount**”) payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the relevant Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vi) Minimum and/or Maximum Interest Rate

If the relevant Final Terms specifies a “**Minimum Interest Rate**” for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii) or (iv) (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the relevant Final Terms specifies a “**Maximum Interest Rate**” for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii), or (iv) (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(vii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent and the Issuer (such notifications to occur no later than the Business Day following such determination), (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with General Certificates Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Certificateholders in accordance with General Certificates Condition 10. For the



purposes of the General Certificates Conditions, the expression “**Amsterdam Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(C) *Day Count Fractions*

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “**Actual/Actual (ICMA)**” is specified in the relevant Final Terms:
  - (a) in the case of Certificates where the number of days in the relevant period from and including the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the relevant Final Terms) that would occur in one calendar year; or
  - (b) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the relevant Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year;
- (c) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (d) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (e) if “**Actual/365 (sterling)**” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (f) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (g) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

where:

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

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Redemption Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

Notwithstanding the foregoing, where the relevant Final Terms specifies that the relevant Day Count Fraction is “unadjusted”, the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

*(D) Interest on Index Linked Interest Certificates, Equity Linked Interest Certificates, Debt Linked Interest Certificates, Currency Linked Interest Certificates, Commodity Linked Interest Certificates, Fund Linked Interest Certificates*

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the relevant Final Terms.

*(E) Interest on Partly Paid Certificates*

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the relevant Final Terms.

*(F) Accrual of Interest*

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Issuing and Paying Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Certificateholders and notice to that effect has been given to the Certificateholders in accordance with General Certificates Condition 10.

## 5 Redemption of Certificates

### (A) General

Unless the Certificates are Exercisable Certificates, subject as provided in these General Certificates Conditions and as specified in the relevant Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in General Certificates Condition 6, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date specified in the relevant Final Terms relating to such Certificate (the “**Redemption Date**”). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in General Certificates Condition 6(B)(v)), the Certificateholder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Annex 1: Terms and Conditions of Equity Certificates, Annex 3 Terms and Conditions of Index Certificates and Annex 4 Terms and Conditions of Commodity Certificates as specified in the relevant Final Terms.

### (B) Issuer Call Option

If “**Issuer Call Option**” is specified in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days’ notice, or other such period as may be specified in the relevant Final Terms, to the Certificateholders in accordance with General Certificates Condition 10; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the relevant Final Terms (an “**Optional Redemption Date**”) and at an amount specified in, or determined in the manner specified in, the relevant Final Terms (the “**Optional Redemption Amount**”) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Certificateholders of Certificates will, unless otherwise provided in the relevant Final Terms, be governed by the standard procedures of Euroclear Netherlands or any relevant Clearing System (as the case may be). So long as the Certificates are listed on the official list of Euronext Amsterdam and admitted to trading on the regulated market of Euronext Amsterdam and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of Euronext Amsterdam ([www.euronext.com](http://www.euronext.com)) a notice specifying the aggregate nominal amount of Certificates outstanding.

(C) *Certificateholder Put Option*

If “**Certificateholder Put Option**” is specified in the relevant Final Terms, upon the Certificateholder of any Certificate giving to the Issuer not less than 15 nor more than 30 days’ notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the relevant Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the relevant Final Terms).

If the Certificate is held through Euroclear Netherlands and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Certificateholder of the Certificate must, within the notice period, give notice to the Paying Agent concerned of such exercise (the “**Put Notice**”) in accordance with the standard procedures of Euroclear Netherlands and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear Netherlands and/or any other relevant Clearing System or any common depository for them to the Paying Agent by electronic means) in a form acceptable to Euroclear Netherlands and/or any other relevant Clearing System from time to time. Any Put Notice given by a Certificateholder of any Certificate pursuant to this General Certificates Condition 5(C) shall be irrevocable.

(D) *Redemption in Instalments*

If the relevant Final Terms specify that the Certificates are “**Instalment Certificates**”, each Certificate will be redeemed in the “**Instalment Amounts**” and on the “**Instalment Dates**” specified in the relevant Final Terms.

(E) *Redemption of Partly Paid Certificates*

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the relevant Final Terms.

(F) *Exercise of Certificates*

If the Certificates are Cash Settled Certificates and “**Exercise of Certificates**” is specified as applying in the relevant Final Terms, the Certificates (such Certificates “**Exercisable Certificates**”) will be automatically exercised on the “**Exercise Date**”, subject as provided in the following paragraph. Upon automatic exercise (the “**Exercise**”), each Certificate entitles its Certificateholder to receive from the Issuer the Cash Settlement Amount on the Redemption Date.

(G) *Obligatory Redemption*

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

## 6 **Payments and Physical Delivery**

(A) *Payments*

Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Certificateholder’s account with the relevant Clearing System for value on the Redemption Date

(or in the case of Instalment Certificates, on the relevant Instalment Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System.

Subject as provided below, the Issuer shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Certificateholder's account with the relevant Clearing System for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System.

The Issuer will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System for his Equity of each such payment so made to, or to the order of, such Clearing System.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(B) *Physical Delivery*

(i) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Certificateholder must deliver to Euroclear Netherlands and/or any other relevant Clearing System, as the case may be, not later than 10:00 a.m. (Local Time) on the Cut-off Date, with a copy to the relevant Paying Agent, a duly completed asset transfer notice (an "**Asset Transfer Notice**") in the form set out in the Agency Agreement in accordance with the provisions set out in this General Certificates Condition 6.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

The Asset Transfer Notice shall:

- (a) specify the name, address and contact telephone number of the relevant Certificateholder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (b) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (c) specify the number of the Certificateholder's securities account at the relevant Clearing System;
- (d) irrevocably instruct the relevant Clearing System to debit the relevant Certificateholder's securities account with the relevant Certificates on or before the Redemption Date;
- (e) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Certificateholder with the relevant Clearing System in respect thereof and to pay such Expenses;
- (f) include such details as are required by the relevant Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Certificateholder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of

any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;

- (g) with respect to Currency Certificates only, specify the number of the Certificateholder's account to the relevant Clearing System to be credited with the amount due upon redemption of the Certificates; and
- (h) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If General Certificates Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System and the relevant Paying Agent.

(ii) Verification of the Certificateholder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Delivery Date debit the securities account of the relevant Certificateholder with the relevant Certificates.

(iii) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Certificateholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent immediately after being delivered or sent to the relevant Clearing System, as provided in paragraph (A) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System.

The relevant Clearing System shall use its best efforts promptly to notify the Certificateholder submitting an Asset Transfer Notice if, in consultation with the Issuing and Paying Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Certificateholder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the relevant Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Certificateholder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be “**Delivered**” at the risk of the relevant Certificateholder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this General Certificates Condition 6, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Paying Agent with a copy to the Issuing and Paying Agent, as provided above on or prior to the Cut-Off Date.

If a Certificateholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuing and Paying Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date), at the risk of such Certificateholder in the manner provided herein. For the avoidance of doubt, in such circumstances such Certificateholder shall not be entitled to any payment, whether of interest or otherwise, as a result of the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Certificateholder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Certificateholder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement or delivery of the deliverable obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Certificateholder and no delivery of the Entitlement or delivery of the deliverable obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Certificateholder.

(iv) General

Certificates held by the same Certificateholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that, the aggregate Entitlements in respect of the same Certificateholder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Certificateholder.

Following the Delivery Date of an Equity Certificate all dividends on the relevant Equities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities executed on the Delivery Date and to be delivered in the same manner as such relevant Equities. Any such dividends to be paid to a Certificateholder will be paid to the account specified by the Certificateholder in the relevant Asset Transfer Notice as referred to in General Certificates Condition 6(B)(i).



For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Certificateholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable Obligations or (iii) be under any liability to a Certificateholder in respect of any loss or damage which such Certificateholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations.

(v) Settlement Disruption

The provisions of this General Certificates Condition 6(B)(ii) apply to Physical Delivery Certificates.

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the relevant Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Certificateholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Certificateholders in accordance with General Certificates Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10. The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 that a Settlement Disruption Event has occurred. No Certificateholder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“**Disruption Cash Settlement Price**”, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such

Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion;

“**Settlement Business Day**”, in respect of each Certificate, has the meaning specified in the relevant Final Terms relating to such Certificate; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the relevant Final Terms.

(vi) Failure to Deliver due to Illiquidity

If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Asset(s) comprising the Entitlement (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Asset(s) (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in these General Certificates Conditions and/or the relevant Final Terms, any Relevant Asset(s) which are not Affected Relevant Assets will be delivered pro rata on the originally designated Settlement Date; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Certificateholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Certificateholders in accordance with General Certificates Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Certificateholders in accordance with General Certificates Condition 10 that the provisions of this General Certificates Condition 4(C)(iii) apply.

(C) *Variation of Settlement*

The provisions of this General Certificates Condition 6(C) apply to Physical Delivery Certificates.

- (i) If the relevant Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may at its sole discretion in respect of each such Certificate, elect not to pay the relevant Certificateholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Certificateholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Certificateholders, as the case may be. Notification of such election will be given to Certificateholders in accordance with General Certificates Condition 10.
- (ii) If specified in the relevant Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Certificateholders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Certificateholders.

(D) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

The provisions of this General Certificates Condition 6(D) apply to Physical Delivery Certificates.

Following a valid redemption of Certificates in accordance with these General Certificates Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises Equities which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other Equities which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Certificateholders, but in lieu thereof to make payment to the relevant Certificateholders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Amount**”). Notification of any such election will be given to Certificateholders in accordance with General Certificates Condition 10.

For the purposes hereof, a “**freely tradable**” Equity shall mean an Equity not subject to any legal restrictions on transfer in the relevant jurisdiction.

(E) *Rights of Certificateholders and Calculations*

None of the Issuer, the Calculation Agent and the Paying Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Certificates does not confer on any Certificateholder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(F) *Prescription*

Claims against the Issuer for payment of principal or interest in respect of the Certificates shall become void unless made within five years from the due date thereof and no claims shall be made after such date.

## 7 **Illegality and Force Majeure**

(A) *Illegality*

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Certificates or that any arrangements made to hedge the Issuer's obligations under the Certificates has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority of power, or in the interpretation thereof, the Issuer, having given not less than 10 nor more than 30 days' notice to the Certificateholders, in accordance with Condition 9 (which notice shall be irrevocable) may, on expiry of such notice redeem all, but not some only, of the outstanding Certificates, each Certificate being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(B) *Force Majeure*

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Certificates and/or any related hedging arrangements, the Issuer may redeem the Certificates by giving notice to Certificateholders in accordance with General Certificates Condition 10.

If the Issuer redeems the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Certificateholder in respect of each Certificate held by such Certificateholder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10.

## **8 Purchases**

The Issuer and any of its subsidiaries may at any time purchase Certificates at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Certificateholders alike. Such Certificates so purchased may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

## **9 Agents, Determinations, Meetings Provisions and Modifications**

(A) *Paying Agents*

The Paying Agents initially appointed by the Issuer and their respective specified addresses are listed on page 397.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that no termination of appointment of the Issuing and Paying Agent shall become effective until a replacement Issuing and Paying Agent shall have been appointed and provided that, so long as any of the Certificates are listed or admitted to trading on a stock exchange, there shall be a Paying Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange.

Notice of any termination of appointment and of any changes in the specified office of any Paying Agent shall promptly be given to Certificateholders in accordance with General Certificates Condition 10. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders and any determinations and calculations made in respect of the Certificates by the Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the respective Certificateholders.

(B) *Calculation Agent*

In relation to each issue of Certificates, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency for or with, the Certificateholders. All calculations and determinations made in respect of the Certificates by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Certificateholders. Because the Calculation Agent may be the Issuer, or an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation

Agent and the Certificateholders, including with respect to certain determinations and judgements that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party, as it deems appropriate.

*(C) Determinations by the Issuer*

Any determination made by the Issuer pursuant to these General Certificates Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Paying Agents and the Certificateholders.

*(D) Meetings of Certificateholders*

The Agency Agreement contains provisions for convening meetings of the Certificateholders of Certificates to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the General Certificates Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Certificateholders. Such a meeting may be convened by the Issuer or Certificateholders holding not less than 5 per cent. (by number) of the Certificates for the time being outstanding. The quorum at a meeting of the Certificateholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Certificates outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the number of Certificates so held or represented. The quorum at a meeting of Certificateholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Certificates outstanding or at any adjourned meeting two or more persons being, holding or representing not less than 10 per cent. (by number) of the Certificates outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by Certificateholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 100 per cent. (in number) of the Certificates outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.

*(E) Modifications*

The Issuer may modify these General Certificates Conditions and/or the Agency Agreement without the consent of the Certificateholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Certificateholders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Certificateholders in accordance with General Certificates Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## 10 Notices

All notices regarding Certificates will be deemed validly given (A) if delivered to the relevant Clearing System for communication by them to the Certificateholders and (B) for so long as any Certificates are listed or admitted to trading on a stock exchange, and the rules of that stock exchange (or any other relevant authority) so require, if such notice is published in the manner required by the rules of that stock exchange (or any other relevant authority). Any such notice will be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

## 11 Expenses and Taxation

- (A) A Certificateholder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption (or in the case of Exercisable Certificates, exercise) of such Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Certificates (Certificate Expenses) relating to such Certificates as provided above.
- (B) The Issuer shall deduct from amounts payable or from assets deliverable to Certificateholders all Related Expenses, not previously deducted from amounts paid or assets delivered to Certificateholders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Certificates.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Certificateholders shall be liable to pay the Related Expenses attributable to their Certificates.

“**Expenses**” means Certificate Expenses and any Related Expenses.

“**Related Expenses**” means (i) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political subdivision or authority thereof or therein) and (ii) any other present, future or contingent expenses (including, without limitation, any applicable depository charges, transaction charges, issue, registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Certificates;
- (b) any payment (or delivery of assets) to Certificateholders;
- (c) a person’s or its agent’s assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Certificates; or
- (d) any of the Issuer’s (or any Affiliates’) other hedging arrangements in connection with the Certificates.

“**Taxes**” means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

## 12 Substitution of the Issuer

- (A) The Issuer, or any substitute of the Issuer under this General Certificates Condition 12 may, and the Certificateholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this General Certificates Condition 11 may without any further prior consent of any Certificateholder at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Certificates or undertake its obligations in respect of the Certificates through any of its branches (any such company or branch, the “**Substitute Obligor**”), in respect of the Certificates, provided that:
- (i) such documents shall be executed by the Substitute Obligor and the Issuer or any previous substitute as may be necessary as aforesaid to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Obligor shall undertake in favour of each Certificateholder to be bound by the General Certificates Conditions and the provisions of the Agency Agreement as fully as if the Substitute Obligor had been named in the Certificates and the Agency Agreement as the principal obligor in respect of the Certificates in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee (the “**Substitution Guarantee**”), in favour of each Certificateholder the performance by the Substitute Obligor of all obligations under the Certificates;
  - (ii) the Documents shall contain a warranty and representation by the Substitute Obligor and the Issuer (a) that each of the Substitute Obligor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Obligor, that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Obligor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substitute Obligor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Certificateholder and that, in the case of the Substitute Obligor undertaking its obligations with respect to the Certificates through a branch, the Certificates remain the valid and binding obligations of such Substitute Obligor;
  - (iii) General Certificates Condition 13 shall be deemed to be amended so that it shall also be an Event of Default under the said General Certificates Condition 13 if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
  - (iv) each stock exchange which has Certificates listed or admitted to trading thereon shall have confirmed that following the proposed substitution by the Substitute Obligor such Certificates would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
  - (v) the Substitute Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substitute Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substitute Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent;
  - (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the

effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent; and

- (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Substitute Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent.
- (B) In connection with any substitution effected pursuant to this General Certificates Condition 12, neither the Issuer nor the Substitute Obligor need have any regard to the consequences of any such substitution for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Certificateholder, except as provided in General Certificates Condition 12(A)(ii), shall be entitled to claim from the Issuer or any Substitute Obligor under the Certificates any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (C) Upon the Documents becoming valid and binding obligations of the Substitute Obligor and the Issuer and subject to the notice having been given in accordance with paragraph 12(E), the Substitute Obligor shall be deemed to be named in the Certificates as the principal obligor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Certificates shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (E) below shall, in the case of the substitution of any other company as principal obligor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal obligor in respect of the Certificates.
- (D) The Documents referred to in paragraph (A) above shall be deposited with and held by the Issuing and Paying Agent for so long as any Certificates remain outstanding and for so long as any claim made against the Substitute Obligor or the Issuer by any Certificateholder in relation to the Certificates or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Obligor and the Issuer acknowledge the right of every Certificateholder to the production of the Documents for the enforcement of any of the Certificates or the Documents.
- (E) Not later than 15 Business Days after the execution of the Documents, the Substitute Obligor shall give notice thereof to the Certificateholders and Euroclear Netherlands in accordance with General Certificates Condition 10. A supplement to the Offering Circular concerning the substitution of the Issuer shall be prepared.

### **13 Prescription**

Claims against the Issuer for payment of principal or interest in respect of the Certificates shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

### **14 Additional Disruption Events**

“**Additional Disruption Event**” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow, Failure to Deliver due to



Illiquidity, Analogous Event, Cancellation Event, Currency Event and/or Force Majeure Event in each case if specified in the relevant Final Terms, save that any reference in the definitions of the above Additional Disruption Events to “Equity” and “Equity Issuer” shall instead be references to “Debt Security” and “Security Issuer” (as defined in the Final Terms) respectively in respect of Debt Security.

(A) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (A), (B) or, if applicable, (C) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these General Certificates Conditions and/or the relevant Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;
- (ii) unless “**Delayed Redemption on Occurrence of Additional Disruption Event**” is specified in the applicable in the relevant Final Terms, on giving notice to Certificateholders in accordance with General Certificates Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10; or
- (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”) as soon as practicable following the occurrence of the Additional Disruption Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer’s funding cost at such time or (y) if greater, the Notional Amount.

(B) If a Failure to Deliver due to Illiquidity occurs:

- (i) subject as provided elsewhere in the General Certificates Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with General Certificates Condition 6(B); and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate, by payment to the relevant Certificateholder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Certificateholders in accordance with General Certificates Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

- (C) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## 15 Events of Default

- (A) If any of the following events (“**Events of Default**”) occurs, the Certificateholder may, by written notice to the Issuer at the specified office of the Fiscal Agent and the Issuer, declare such Certificate to be forthwith due and payable, whereupon the Early Redemption Amount of such Certificate together with accrued interest to (but excluding) the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:
- (B) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Certificates; or
- (C) the Issuer fails to perform or observe any of its other obligations pursuant to the Certificates and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (D) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court; or
- (E) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Certificateholders) or the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (F) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (G) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Certificateholders).

## **16 Increase and Further Issues**

- (A)* Unless specified otherwise in the relevant Final Terms, the Issuer may, at any time without the consent of the Certificateholders, prior to the Issue Date increase or decrease the aggregate nominal amount of Certificates to be issued following the period in which the Certificates were offered.
- (B)* Unless specified otherwise in the relevant Final Terms, the Issuer may at any time without the consent of the Certificateholders create and issue further certificates having terms and conditions the same as the Certificates or the same in all respects save for the issue date, amount and date of the first payment of interest thereon and/or the issue price and so that the same shall be consolidated and form a single series with the outstanding Certificates.

## **17 Governing Law and Jurisdiction**

- (A)* The Certificates and any non-contractual obligations arising out of or in connection with the Certificates shall be governed by the laws of the Netherlands.
- (B)* The competent courts of Amsterdam, the Netherlands shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Certificates and accordingly any legal action or proceedings arising out of or in connection with any Certificates (including a dispute relating to any non-contractual obligations arising out of or in connection with any Certificates) (“**Proceedings**”) may be brought in such courts. These submissions are made for the benefit of each the Certificateholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

## ANNEX 1: TERMS AND CONDITIONS OF EQUITY CERTIFICATES

*If Equity Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Equity Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Equity Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Equity Certificate Conditions, the Equity Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Equity Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Additional Defined Terms

“**Basket of Equities**” means a basket composed of the Equities of each Equity Issuer as specified in the relevant Final Terms in the relative proportions and/or numbers of Equities of each Equity Issuer specified in the relevant Final Terms.

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant Equity;

“**Clearance System Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

“**Disrupted Day**” means, in respect of an Equity, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

“**Equities**” and “**Equity**” mean, subject to adjustment in accordance with this Annex 1, in the case of an issue of Certificates relating to a Basket of Equities, each Equity and, in the case of an issue of Certificates relating to a single Equity, the Equity, specified in the relevant Final Terms and related expressions shall be construed accordingly;

“**Equity Issuer**” means, in the case of an issue of Certificates relating to a single Equity, the company that has issued such Equity;

“**Equity Correction Period**” means (A) the period specified in the relevant Final Terms, or (B) if none is so specified, one Settlement Cycle;

“**Exchange**” means, in relation to an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (A) in the case of a single Equity, Exchange Business Day (Single Equity Basis) or (B) in the case of a Basket of Equities, Exchange Business Day (All Equities Basis) or Exchange Business Day (Per Equity Basis), in each case as specified in the relevant Final Terms, provided that, if no such specification is made in the relevant Final Terms, Exchange Business Day (Per Equity Basis) shall apply;

**“Exchange Business Day (All Equities Basis)”** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

**“Exchange Business Day (Per Equity Basis)”** means, in respect of an Equity, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Equity are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**“Exchange Business Day (Single Equity Basis)”** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Equity on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange;

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

**“Scheduled Trading Day”** means either (A) in the case of a single Equity, Scheduled Trading Day (Single Equity Basis) or (B) in the case of a Basket of Equities, Scheduled Trading Day (All Equities Basis) or Scheduled Trading Day (Per Equity Basis), in each case as specified in the relevant Final Terms, provided that, if no such specification is made in the relevant Final Terms, Exchange Business Day (Per Equity Basis) shall apply;

**“Scheduled Trading Day (All Equities Basis)”** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Per Equity Basis)”** means, in respect of an Equity, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Equity are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Single Equity Basis)”** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

“**Settlement Price**” means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date” in General Certificates Condition 3, as the case may be:

- (A) in the case of Equity Certificates relating to a Basket of Equities and in respect of each Equity comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the relevant Final Terms) quoted on the relevant Exchange for such Equity on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for such Equity whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be determined based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Equity or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the relevant Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (B) in the case of Equity Certificates relating to a single Equity, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the relevant Final Terms) quoted on the relevant Exchange for such Equity on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for the Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Equity or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

“**Settlement Cycle**” means in respect of an Equity, the period of Clearance System Days following a trade in the Equity on the Exchange in which settlement will customarily occur according to the rules of such Exchange; and

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (A) relating to the Equity on the Exchange; or (B) in futures or options contracts relating to the Equity on any relevant Related Exchange.

## 2 Market Disruption

“**Market Disruption Event**” means, in relation to Certificates relating to a single Equity or a Basket of Equities, in respect of an Equity the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (C) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, an Observation Date or a Valuation Date.

## 3 Potential Adjustment Events

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event) or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities of (i) such Equities or (ii) other Equity capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Equity Issuer, as the case may be, equally or proportionately with such payments to holders of such Equities or (iii) Equity capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Equity Issuer, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend as determined by the Calculation Agent;
- (D) a call by a Basket Company or Equity Issuer, as the case may be, in respect of relevant Equities that are not fully paid;
- (E) a repurchase by the Basket Company or its subsidiaries or Equity Issuer or its subsidiaries, as the case may be, of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of a Basket Company or Equity Issuer, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from Equities of common stock or other Equities of the capital stock of such Basket Company or Equity Issuer, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (G) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Equities.

Following the declaration by the Basket Company or Equity Issuer, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Equities and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms and giving brief details of the Potential Adjustment Event.

#### **4 Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency**

“**De-Listing**” means, in respect of any relevant Equities, the Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

“**Insolvency**” means that, by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Equity Issuer, as the case may be, (A) all the Equities of that Basket Company or Equity Issuer, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (B) Certificateholders of the Equities of that Basket Company or Equity Issuer, as the case may be, become legally prohibited from transferring them.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means, in respect of any relevant Equities, any (A) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding Equity exchange of a Basket Company or Equity Issuer, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding Equity exchange in which such Basket Company or Equity Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Basket Company or Equity Issuer, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding Equity exchange of the Basket Company or its subsidiaries or the Equity Issuer or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Equity Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing



less than 50 per cent. of the outstanding Equities immediately following such event, in each case if the Merger Date is on or before (i) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the relevant Final Terms, the final Averaging Date in respect of the relevant Certificate or (ii) in the case of Physical Delivery Certificates, the relevant Redemption Date.

“**Nationalisation**” means that all the Equities or all or substantially all the assets of the Basket Company or Equity Issuer, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting Equities in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting Equities of the Basket Company or Equity Issuer, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to an Equity, the Issuer in its sole and absolute discretion may take the action described in (A), (B), (C), (D) (if applicable), (E) or, in the case of Certificates relating to a Basket of Equities only, (F) below (except as may be limited in the case of U.S. Certificates):

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Equities or to the Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Equities traded on that options exchange. In addition such adjustment may be made in accordance with the provisions of sub-paragraph (F) below;
- (B) in the case of Equity Certificates relating to a Basket of Equities redeem the Certificates in part by giving notice to Certificateholders in accordance with General Certificates Condition 10. If the Certificates are so redeemed in part the portion (the “**Redeemed Amount**”) of each Certificate representing the affected Equity(ies) shall be redeemed and the Issuer will (i) pay to each Certificateholder in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Certificate, after such redemption and adjustment shall remain

outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10;

- (C) unless “**Delayed Redemption on Occurrence of Extraordinary Event**” is specified as being applicable in the relevant Final Terms, on giving notice to Certificateholders in accordance with General Certificates Condition 10 redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10;
- (D) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”) as soon as practicable following the occurrence of the relevant event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (i) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer’s funding cost at such time or (ii) if greater, the Notional Amount;
- (E) following such adjustment to the settlement terms of options on the Equities traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Equities are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (F) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include an Equity selected by it in accordance with the criteria for Equity selection set out below (each, a “**Substitute Equity**”) for each Equity (each, an “**Affected Equity**”) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Equity will be deemed to be an Equity and the Issuer of such Equities the “**Basket Company**” for the purposes of the Certificates and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Equity Certificates Conditions and/or the relevant Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Certificates was

to be determined by reference to the Initial Price (as set out in the relevant Final Terms, if any) of the Affected Equity, the “**Initial Price**” of each Substitute Equity will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

“A” is the official closing price of the relevant Substitute Equity on the relevant Exchange on the Substitution Date;

“B” is the Initial Price of the relevant Affected Equity; and

“C” is the official closing price of the relevant Affected Equity on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the basket will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its absolute discretion and specified in the notice referred to below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or De-Listing (as the case may be).

The Weighting of each Substitute Equity in the basket will be equal to the Weighting of the relevant Affected Equity.

In order to be selected as a Substitute Equity, the relevant Equity must be an Equity which, in the sole and absolute discretion of the Calculation Agent:

1. is not already included in the basket;
2. the Issuer of such Equity belongs to a similar economic sector as the Basket Company in respect of the Affected Equity; and
3. the Issuer of such Equity has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Equity.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Certificateholders in accordance with General Certificate Condition 10 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of an Equity Substitution, the identity of the Substitute Equities and the Substitution Date.

## **5 Correction of Equity Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Equity published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Equity Correction Period of the original publication, the price to be used shall be the price of the relevant Equity as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

## 6 Knock-in Event and Knock-out Event

- (A) If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins and/or ends at the Valuation Time the price of the Equity triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Equity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Equity triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Equity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Event**” means:

- (i) (in the case of a single Equity) that the price of the Equity determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Equities) that the amount determined by the Calculation Agent equal to the sum of the values of the Equities of each Basket Company as the product of (a) the price of such Equity as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,
- (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“**Knock-in Price**” means, (i) in case of a single Equity, the price per Equity or (ii) in the case of a Basket of Equities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Equity Certificate Condition 2 (*Market Disruption*) and as set forth in Equity Certificate Condition 3 (Potential Adjustment Events) and Equity Certificate Condition 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*);

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the “**Knock-in Period Beginning Date Scheduled Trading Day Convention**” is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the “**Knock-in Period Ending Date Scheduled Trading Day Convention**” is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“**Knock-out Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“**Knock-out Determination Period**” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“**Knock-out Event**” means:

- (i) (in the case of a single Equity) that the price of the Equity determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Equities) that the amount determined by the Calculation Agent equal to the sum of the values of each Equity as the product of (a) the price of such Equity as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting,

(i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“**Knock-out Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the “**Knock-out Period Beginning Date Scheduled Trading Day Convention**” is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-out Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the “**Knock-out Period Ending Date Scheduled Trading Day Convention**” is specified as applicable

in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-out Price**” means, (i) in the case of a single Equity, the price per Equity or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Equity Certificate Condition 2 (Market Disruption) and set forth in Equity Certificate Condition 3 (Potential Adjustment Events) and Equity Certificate Condition 4 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency); and

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 7 Automatic Early Redemption

(A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) *Definitions relating to Automatic Early Redemption*

Unless otherwise specified in the relevant Final Terms:

“**Automatic Early Redemption Amount**” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Notional Amount in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“**Automatic Early Redemption Date**” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“**Automatic Early Redemption Event**” means that (i) in the case of a single Equity, the Equity Price or (ii) in the case of a Basket of Equities, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“**Automatic Early Redemption Price**” means the price per Equity specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Equity Certificate Condition 3 (Potential Adjustment Events) and Equity Certificate Condition 4 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency) above;

“**Automatic Early Redemption Rate**” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“**Automatic Early Redemption Valuation Date**” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day

unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”;

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Equity as the product of (i) the Equity Price of such Equity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

“**Equity Price**” means, in respect of any Automatic Early Redemption Valuation Date, the price per Equity as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

## 8 Dividend Payment

If “Dividend Payment” is specified as being applicable in the relevant Final Terms, the following provisions shall apply to the Certificates:

- (A) In the event that on or after the Issue Date a Cash Dividend is paid by the Equity Issuer or Basket Company, as the case may be, notwithstanding any provisions in these Equity Certificates Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (B) As soon as practicable following the Dividend Date, the Issuer shall give notice (a “**Cash Dividend Notice**”) to the Certificateholders in accordance with General Certificates Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer shall pay to each Certificateholder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Certificate held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Redemption Date of a Certificate, the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer shall have no further obligation in respect thereof.
- (C) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Certificateholder.

For the purposes of this Equity Certificate Condition 8, the following definitions shall apply:

“**Cash Dividend**” means any cash dividend paid by the Equity Issuer or Basket Company in respect of an Equity.

“**Cash Dividend Amount**” means, in respect of a Certificate, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata Equity of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date.

“**Cash Dividend Payment Date**” means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice.

“**Distributed Amount**” means, in respect of a Cash Dividend, the amount of such dividend payable by the Equity Issuer in respect of an Equity, as determined by the Calculation Agent in its sole and absolute discretion.

**“Dividend Date”** means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Equity as determined by the Calculation Agent in its sole and absolute discretion.

**“Dividend Expenses”** means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depository charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Certificates.



## ANNEX 2: TERMS AND CONDITIONS OF FUND CERTIFICATES

*If Fund Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Fund Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Fund Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Fund Certificate Conditions, the Fund Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Fund Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Additional Defined Terms

“**Additional Extraordinary Fund Event**” has the meaning given to it in the relevant Final Terms.

“**Calculation Date**” means each day(s) specified in the relevant Final Terms, or if not so specified, each day which is a Fund Business Day.

“**Cash Facility**” means:

- (A) if “**Overnight USD LIBOR Facility**” is specified in the relevant Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the overnight USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for overnight deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.125 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (B) if “**Overnight EURIBOR Facility**” is specified in the relevant Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the European overnight index average rate for deposits in EUR appearing on Reuters page EONIA = (or such other source as the Calculation Agent deems appropriate for displaying EURIBOR overnight deposit in EUR) as of 7:00 p.m., Central European time, on that day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.125 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (C) if “**three month USD LIBOR Facility**” is specified in the relevant Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the three Months’ USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for three Months’ deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.100 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (D) if “**three month EURIBOR Facility**” is specified in the relevant Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the three Months’ EUR deposit rate appearing on Reuters page EURIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying the EURIBOR for three Months’ deposits in EUR) as of 11:00 a.m., Central European time, on the day that is two TARGET Settlement Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.100 per cent. (if the Cash Facility is

negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(E) such other notional account as may be specified in the relevant Final Terms.

“**ETF**” means any Fund specified to be an “**Exchange Traded Fund**” in the relevant Final Terms, or if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

“**Exchange**” means, in relation to an ETF, the exchange or principal trading market for such ETF specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Equities in respect of such ETF has temporarily relocated.

“**Final Calculation Date**” means the date specified as such in the relevant Final Terms.

“**Fund**” means the Fund(s) or sub-Funds specified in the relevant Final Terms.

“**Fund Business Day**” has the meaning specified in the relevant Final Terms or, if not so specified, in respect of a Fund, a day which is (or but for the imposition of any suspension period or similar limitation, would have been) a day on which subscription and redemption orders in respect of the relevant Fund Equities may be executed.

“**Fund Documents**” means, with respect to any Fund Equity, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Equities specified in the relevant Final Terms as amended from time to time.

“**Fund Reporting Date**” means, in respect of the Fund Equities and a Calculation Date, the date on which the NAV per Fund Equity is reported or published in respect of such Calculation Date.

“**Fund Service Provider**” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the relevant Final Terms.

“**Fund Equity(s)**” means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the relevant Final Terms.

“**Hedge Provider**” means the party (being, *inter alia*, the Issuer, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer’s obligations in respect of the Certificates or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Equities, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Equities as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Certificates.

“**Implied Embedded Option Value**” means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Certificates determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Equities by the Hedge Provider, the volatility of the Fund Equities and transaction costs.

“**Implied Embedded Option Value Determination Date**” means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary Fund Event.

“**Initial Calculation Date**” means the date specified as such in the relevant Final Terms.

“**NAV Barrier**” has the meaning given to it in the relevant Final Terms.

“**NAV Trigger Event**” means, in respect of the Fund Equities, that (i) the NAV per Fund Equity has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

“**NAV Trigger Percentage**” means the percentage specified in the relevant Final Terms.

“**NAV Trigger Period**” means the period specified in the relevant Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

“**NAV per Fund Equity**” means, with respect to the relevant Fund Equities and the Fund Reporting Date relating to such Fund Equities, (i) the net asset value per Fund Equity of such Fund Equities as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service or, (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Equities, the net asset value per Fund Equity relating to such number of Fund Equities as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Equities divided by the relevant number of Fund Equities.

“**Non-Principal Protected Termination Amount**” means an amount per Certificate determined by the sum of:

- (A) the Implied Embedded Option Value; and
- (B) if “**Delayed Redemption on Occurrence of an Extraordinary Fund Event**” is specified as being applicable in the relevant Final Terms, the Simple Interest.

“**Number of NAV Publication Days**” means the number of calendar days specified in the relevant Final Terms, being the maximum number of days after the due date for publication or reporting of the NAV per Fund Equity after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Equity before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

“**Portfolio**” means the notional portfolio specified in the relevant Final Terms.

“**Potential Replacement Index**” means any of the HFRX Equal Weighted Tracker Fund, FTSE Hedge Index and the Dow Jones Hedge Fund Balanced Portfolio Index, or any successor indices thereto, and/or any other indices specified in the relevant Final Terms.

“**Principal Protected Termination Amount**” means an amount per Certificate determined as the sum of:

- (A) the Protected Amount;
- (B) the Implied Embedded Option Value; and

- (C) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the relevant Final Terms, the Simple Interest.

“**Protected Amount**” means the amount specified as such in the relevant Final Terms.

“**Simple Interest**” means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from and including, the Implied Embedded Option Value Determination Date to and including, the Final Calculation Date calculated on the basis that such interest were payable by the floating rate payer under an interest rate swap transaction incorporating the ISDA Definitions under which:

- (A) the “Effective Date” is the Implied Embedded Option Value Determination Date;
- (B) the “Termination Date” is the Termination Date;
- (C) the “Floating Rate Payer Payment Date” is the Termination Date;
- (D) the “Floating Rate Option” is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the “Designated Maturity” is three months;
- (F) the “Spread” is as specified in the relevant Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the “Floating Rate Day Count Fraction” is Actual/360;
- (H) the “Reset Date” is the first day of the relevant Compounding Period;
- (I) “Compounding” is “Applicable”; and
- (J) the “Compounding Dates” are the day falling three months after the Effective Date and each date falling three months after the previous Compounding Date,

provided that if the final Compounding Period is less than three months’ “Linear Interpolation” applies.

“**Termination Amount**” means an amount in the Settlement Currency calculated as specified in the relevant Final Terms or if not so specified (A) the Principal Protected Termination Amount or (B) the Non-Principal Protected Termination Amount as specified in the relevant Final Terms.

“**Termination Date**” means (A) the date specified in the relevant Final Terms, or (B) if “**Delayed Redemption on the Occurrence of an Extraordinary Fund Event**” is specified as being applicable in the relevant Final Terms, the Redemption Date.

## 2 **Extraordinary Fund Events**

“**Extraordinary Fund Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (A) the Fund or the investment adviser, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (a) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy

or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (b) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii) (a) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) 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; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;

- (B) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment adviser, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Certificates;
- (C) the Fund Service Provider or other agents or entity fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (D) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including, but not limited to, a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (E) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Equity, or any change in the periodicity of the calculation or the publication of the NAV per Fund Equity, or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund, (including, without limitation, the suspension of the NAV per Fund Equity), in each case other than a modification or event which does not affect the Fund Equities or the Fund or any portfolio of assets to which the Fund Equity relates (either alone or in common with other Fund Equities issued by the Fund);
- (F) the investment adviser, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (G) (i) the occurrence of any event affecting a Fund Equity that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Equity, and such event continues for at least 14 calendar days; (ii) any failure of the

Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Equity;

- (H) any of the Fund, the administrator of the Fund or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Equity within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Equities unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (I) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Equities) to redeem any Fund Equities and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Equities held in connection with any hedging arrangements relating to the Certificates;
- (J) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Equities submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Equities as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Equities (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Equities) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Equities by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Equities, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (vi) a mandatory redemption, in whole or in part, of the Fund Equities is imposed by the Fund on any one or more holders of Fund Equities at any time for any reason or (vii) the Issuer, the Hedge Provider, or any Affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Equities for any reason;
- (K) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (L) a NAV Trigger Event occurs;

- (M) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment adviser, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Equities;
- (N) the currency denomination of the Fund Equity is amended from that set out in the Fund Documents so that the net asset value per Fund Equity is no longer calculated in the same currency as at the Trade Date;
- (O) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the investment adviser or the management company or sub-manager, as the case may be, fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (P) one or more changes occurs in respect of the exposure of the Hedge Provider, including but not limited to the creation of a leveraged class of fund Equities, which have or may have a material adverse effect on the Hedge Provider's hedging activities in respect of the Certificates;
- (Q) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Certificates (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (R) in connection with any hedging activities in relation to the Certificates, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Equities or that would subject a holder of the Fund Equities or the Issuer to any loss), purchase or sell any Fund Equities of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event;  
or

- (S) in connection with the hedging activities in relation to the Certificates, if the cost to the Issuer or the Hedge Provider in relation to the Certificates would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment adviser, investment manager or sub-manager relating to the Certificates.

### 3 Consequences of an Extraordinary Fund Event

Following the occurrence of an Extraordinary Fund Event, including any Additional Extraordinary Fund Event specified in the relevant Final Terms, the Calculation Agent shall, unless otherwise specified in the relevant Final Terms, either (i) effect a Substitution (as defined below) if a Substitution Event has occurred or (ii) if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, redeem the Certificates by payment of the Termination Amount on the Termination Date.

#### (A) Substitution

A “**Substitution Event**” shall be deemed to have occurred if any of the Extraordinary Fund Events set out in sub-paragraphs (A) to (P) of Fund Certificate Condition 2 or any Additional Extraordinary Fund Event specified in the relevant Final Terms as being a Substitution Event occurs. Following the occurrence of a Substitution Event in respect of any Fund Equity, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Equities in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Equities with Equities, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to sub-paragraph (ii) above, use reasonable efforts to substitute the relevant Fund with an index (the “**Replacement Index**”) (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion which reflects or tracks the performance of one or more hedge funds and may be (but is not obliged to be) a Potential Replacement Index; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a “**Substitution**”), in its sole and absolute discretion amend such of the terms of the Fund Certificates Conditions and/or the relevant Final Terms as it determines to be appropriate to take account of such Substitution.

#### (B) Termination

A “**Termination Event**” shall be deemed to have occurred in respect of any Fund or Fund Equity if any of the Extraordinary Fund Events set out in sub-paragraphs (Q) to (S) of Fund Certificate Condition 27 or any Additional Extraordinary Fund Event specified in the relevant Final Terms as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall redeem the Certificates on the Termination Date by payment to each Certificateholder of the Termination Amount.



Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

#### **4 Exchange Traded Funds**

If a Fund is specified in the relevant Final Terms to be an ETF, Annex 2 (Additional Terms and Conditions of Equity Certificates) shall be deemed to apply to the Certificates, subject as provided in the relevant Final Terms.

References to “Equity” and “Equity Issuer” or “Basket Company” in the Equity Certificate Conditions shall be deemed to be references to the “Fund Equity”, the “Fund” and the “Fund” respectively.

In the event of inconsistency between the Equity Certificate Conditions and the Fund Certificate Conditions, the Calculation Agent shall determine which of such terms shall prevail acting in good faith and in a commercially reasonable manner.

## ANNEX 3 TERMS AND CONDITIONS OF INDEX CERTIFICATES

*If Index Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Index Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Index Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Index Certificate Conditions, the Index Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant securities;

“**Clearance System Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

“**Composite Index**” means any Index specified as such in the relevant Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

“**Component**” means each and any component security of any Index;

“**Disrupted Day**” means:

- (A) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (B) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which a relevant Exchange or a Related Exchange (if any) fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“**Early Closure**” means:

- (A) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (B) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Exchange”** means:

- (A) in the case of a Composite Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the securities/commodities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Equities on such temporary substitute exchange or quotation system as on the original Exchange); and
- (B) in the case of any Index which is not a Composite Index, and in respect of such Index each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the component comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the component comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (A) in the case of a single Index, Exchange Business Day (Single Index Basis) or (B) in the case of a basket of Indices, Exchange Business Day (All Indices Basis) or Exchange Business Day (Per Index Basis), in each case as specified in the relevant Final Terms, provided that if no such specification is made in the relevant Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**“Exchange Business Day (All Indices Basis)”** means any Scheduled Trading Day on which (A) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time and (B) in respect of any Composite Indices, (i) the Index Sponsor publishes the level of such Composite Indices and (ii) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Per Index Basis)”** means, in respect of an Index, any Scheduled Trading Day on which (A) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during its regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (B) in respect of a Composite Index, (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Single Index Basis)”** means any Scheduled Trading Day on which (A) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during its regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (B) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means:

- (A) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and

(B) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

“**Index**” and “**Indices**” mean, subject to adjustment in accordance with this Annex 3, the indices or index specified in the relevant Final Terms and related expressions shall be construed accordingly;

“**Index Correction Period**” means (A) the period specified in the relevant Final Terms, or (B) if none is so specified, one Settlement Cycle;

“**Index Sponsor**” means, in relation to an Index, the corporation or other entity that (A) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (B) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Certificates is the index sponsor specified for such Index in the relevant Final Terms;

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

“**Scheduled Trading Day**” means either (A) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (B) in the case of a basket of Indices, Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Per Index Basis), in each case as specified in the relevant Final Terms, provided that if no such specification is made in the relevant Final Terms, Exchange Business Day (All Indices Basis) shall apply;

“**Scheduled Trading Day (All Indices Basis)**” means any day on which (A) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (B) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

“**Scheduled Trading Day (Per Index Basis)**” means, in respect of an Index, any day on which (A) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s) and (B) in respect of a Composite Index, (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

“**Scheduled Trading Day (Single Index Basis)**” means any day on which (A) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (B) in respect of a Composite Index (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (ii) the relevant

Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

“**Settlement Cycle**” means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or if such Index is a Composite Index, the longest such period in respect of a relevant Exchange).

“**Settlement Price**” means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date” in General Certificates Condition 4, as the case may be:

- (A) in the case of Index Certificates relating to a basket of Indices and in respect of each Index comprising the basket, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the relevant Final Terms, the level of such Index determined by the Calculation Agent as set out in the relevant Final Terms at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (B) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the relevant Final Terms, the level of the Index determined by the Calculation Agent as set out in the relevant Final Terms at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date;

“**Trading Disruption**” means:

- (A) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (B) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;

## 2 Market Disruption

“**Market Disruption Event**” means, in relation to Certificates relating to a single Index or basket of Indices:

- (A) in respect of a Composite Index:
  - (i) the occurrence or existence, in respect of any Component, of:
    - (a) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;

- (b) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
- (c) an Early Closure in respect of such Component; and
- (ii) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (iii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of:
  - (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (i) the portion of the level of such Index attributable to that Component to (2) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”; and

- (B) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (a) the portion of the level of such Index attributable to that security and (b) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, an Observation Date or a Valuation Date.

### 3 Adjustments to an Index

#### (A) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

#### (B) *Modification and Cessation of Calculation of an Index*

If (i) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or

the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Calculation, each an “**Index Adjustment Event**”), then:

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) unless “**Delayed Redemption on Occurrence of Index Adjustment Event**” is specified as being applicable in the relevant Final Terms, the Issuer may redeem the Certificates by giving notice to Certificateholders in accordance with General Certificates Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Certificateholder in respect of each redeemed Certificate being redeemed at an amount equal to the fair market value of a Certificate, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10; or
- (iii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”) as soon as practicable following the occurrence of the Index Adjustment Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (a) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer’s funding cost at such time or (b) if greater, the Notional Amount.

(C) *Notice*

The Calculation Agent shall, as soon as practicable, notify the relevant Paying Agent of any determination made by it pursuant to paragraph (B) above and the action proposed to be taken in relation thereto and such Paying Agent shall make available for inspection by Certificateholders copies of any such determinations.

#### 4 **Correction of Index**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the Index published on a given day and used or to be

used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

## 5 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the level of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;



**“Knock-in Event”** means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
  - (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (a) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,
- (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-in Level as specified in the relevant Final Terms;

**“Knock-in Level”** means (i) in the case of a single Index, the level of the Index or (ii) in case of a basket of Indices, the level, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 2 (Market Disruption) and Index Certificate Condition 3 (Adjustments to an Index);

**“Knock-in Period Beginning Date”** means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Period Ending Date”** means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

**“Knock-out Determination Day”** means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
  - (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (1) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (2) the relevant Weighting is,
- (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Level as specified in the relevant Final Terms;

**“Knock-out Level”** means, in the case of a single Index, (i) the level of the Index or (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in

Index Certificate Condition 2 (Market Disruption) and Index Certificate Condition 3 (Adjustments to an Index);

“**Knock-out Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-out Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 6 Automatic Early Redemption

(A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) *Definitions relating to Automatic Early Redemption*

Unless otherwise specified in the relevant Final Terms:

“**Automatic Early Redemption Amount**” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Notional Amount in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“**Automatic Early Redemption Date**” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“**Automatic Early Redemption Event**” means that (i) in the case of a single Index, the Index Level or (ii) in the case of a basket of Indices, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“**Automatic Early Redemption Level**” means the level of the Index specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 3 (Adjustments to an Index) above;

“**Automatic Early Redemption Rate**” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“**Automatic Early Redemption Valuation Date**” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day,

then the corresponding in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”;

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Index as the product of (i) the Index Level of such Index on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

“**Index Level**” means, in respect of any Automatic Early Redemption Valuation Date, the level of the Index as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

## ANNEX 4: TERMS AND CONDITIONS OF COMMODITY CERTIFICATES

*If Commodity Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Commodity Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “Commodity Certificate Conditions”). In the event of any inconsistency between the General Certificates Conditions and the Commodity Certificate Conditions, the Commodity Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Commodity Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

“**Commodity**” means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the relevant Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the relevant Final Terms;

“**Commodity Business Day**” means:

- (A) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (B) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

“**Commodity Fallback Value**” means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

“**Commodity Index**” means each index specified as such in the relevant Final Terms or an index comprising one or more Commodities or Commodity Futures contracts (each a “**Component**”);

“**Commodity Reference Price**” means, in respect of any Commodity or the Commodity Index, the price specified in the relevant Final Terms;

“**Component Futures**” means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a “**Component Future**”);

“**Disappearance of Commodity Reference Price**” means (A) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (B) the disappearance of, or of trading in, the relevant Commodity or Component or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component;

“**Exchange**” means, in relation to a Commodity, the exchange or principal trading market for such Commodity specified in the relevant Final Terms or in the Commodity Relevant Price;

“**Material Change in Content**” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or, in the case of a Commodity Index, Component;

“**Material Change in Formula**” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

“**Maximum Days of Disruption**” means the consecutive Maximum Number of Days of Disruption, as specified in the relevant Final Terms or, if not so specified, two Commodity Business Days (measured from and including the original day that would have been the relevant Pricing Date);

“**Multiplier**” means the weight of each of the Commodities comprising the Basket of Commodities as specified in the relevant Final Terms.

“**Price Source**” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price;

“**Price Source Disruption**” means (A) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (B) the temporary or permanent discontinuance or unavailability of the Price Source;

“**Pricing Date**” means each date specified in the Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

“**Reference Dealers**” means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

“**Relevant Price**” means, in respect of any Commodity or Commodity Index and a day, the Commodity Reference Price in respect of such Commodity or such Commodity Index, as the case may be, on such day;

“**Relevant Price**” means:

- (A) where the Warrants are specified in the relevant Final Terms to relate to a single Commodity, an amount equal to the price determined on any day for the specified Commodity Reference Price on the relevant date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price.; and
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Commodities, an amount equal to the sum of the prices determined for the specified Commodity Reference Prices as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price, multiplied by the relevant Multiplier. “Settlement Price” means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate, subject as provided in this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:
  - (i) in the case of Commodity Certificates relating to a basket of Commodities or Commodity Indices and in respect of a Commodity or Commodity Index comprising the basket, the Relevant Price for such Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the relevant Final Terms, the

Valuation Date or (b) if Averaging is specified in the relevant Final Terms, an Averaging Date; and

- (ii) in the case of Commodity Certificates relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (b) if Averaging is specified in the relevant Final Terms, an Averaging Date;

“**Specified Maximum Days of Disruption**” means 2 Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the relevant Final Terms;

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the relevant Final Terms. For these purposes:

- (A) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (i) all trading in the Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
  - (ii) all trading in the Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

## 2 Market Disruption

“**Market Disruption Event**” means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (A) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; or
- (B) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; or
- (C) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Certificateholders, in accordance with General Certificates Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

### 3 Disruption Fallbacks

“**Disruption Fallback**” means a source or method specified in the relevant Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

(A) Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (i) the Calculation Agent shall determine if such event has a material effect on the Certificates and, if so, shall calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (ii) unless “**Delayed Redemption on Occurrence of Market Disruption Event**” is specified as being applicable in the relevant Final Terms, on giving notice to Certificateholders in accordance with General Certificates Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of such Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10; or
- (iii) if “**Delayed Redemption on Occurrence of Market Disruption Event**” is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Market Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Market Disruption Amount**”) as soon as practicable following the occurrence of the Market Disruption Event (the “**Calculated Market Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (a) the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer’s funding cost at such time or (b) if greater, the Notional Amount.

(B) *Tax Disruption*

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material

effect on the Certificates and if so (i) shall effect any adjustments that it deems in good faith necessary to the General Certificates Conditions or, (ii) if it determines that such adjustments cannot be made on giving notice to Certificateholders in accordance with General Certificates Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Certificateholders in accordance with General Certificates Condition 10.

*(C) Price Source Disruption and Trading Disruption*

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Maximum Days of Disruption and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

*(D) Index Component Disruption*

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The relevant Final Terms may specify any Additional Disruption Fallback(s) that will apply.

#### **4 Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Certificates, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

#### **5 Knock-in Event and Knock-out Event**

- (A)* If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B)* If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C)* If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a



Disrupted Day, then, unless otherwise specified in the relevant Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

(D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the relevant Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

(E) *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (a) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-in Level as specified in the relevant Final Terms;

“**Knock-in Level**” means (i) in the case of a single Commodity, the Relevant Price or (ii) in case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (Market Disruption) and Commodity Certificate Condition 3 (Disruption Fallbacks);

“**Knock-in Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

“**Knock-in Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“**Knock-out Determination Day**” means the date(s) specified as such in the relevant Final Terms;

“**Knock-out Determination Period**” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“**Knock-out Event**” means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (a) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-out Level as specified in the relevant Final Terms;

“**Knock-out Level**” means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (Market Disruption), Commodity Certificate Condition 3 (Disruption Fallbacks) and Commodity Certificate Condition 4 (Correction of a Commodity Reference Price);

“**Knock-out Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the relevant Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

“**Knock-out Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the relevant Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 6 Automatic Early Redemption

(A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) *Definitions relating to Automatic Early Redemption*

Unless otherwise specified in the relevant Final Terms:

“**Automatic Early Redemption Amount**” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Notional Amount in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“**Automatic Early Redemption Date**” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“**Automatic Early Redemption Event**” means that (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a basket of Commodities, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“**Automatic Early Redemption Price**” means the price per Commodity specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 3 above;

“**Automatic Early Redemption Rate**” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“**Automatic Early Redemption Valuation Date**” means each date specified as such in the relevant Final Terms; and

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (i) the Relevant Price of such Commodity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

## ANNEX 5: TERMS AND CONDITIONS OF CURRENCY CERTIFICATES

*If Currency Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Currency Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Currency Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Currency Certificate Conditions, the Currency Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Currency Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Settlement Price

Settlement Price means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate:

- (A) in the case of Currency Certificates relating to a basket of Subject Currencies and in respect of a Subject Currency, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
- (B) in the case of Currency Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

### 2 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

(C) *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (a) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is, (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-in Level as specified in the relevant Final Terms;

“**Knock-in Level**” means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the relevant Final Terms;

“**Knock-in Period Beginning Date**” means the date specified as such in the relevant Final Terms;

“**Knock-in Period Ending Date**” means the date specified as such in the relevant Final Terms;

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“**Knock-out Determination Day**” means the date(s) as specified as such in the relevant Final Terms;

“**Knock-out Determination Period**” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“**Knock-out Event**” means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (a) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is, (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-out Level as specified in the relevant Final Terms;

“**Knock-out Level**” means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the relevant Final Terms;

“**Knock-out Period Beginning Date**” means the date specified as such in the relevant Final Terms;

“**Knock-out Period Ending Date**” means the date specified as such in the relevant Final Terms; and

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## ANNEX 6: TERMS AND CONDITIONS OF DEBT CERTIFICATES

*If Debt Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Debt Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Debt Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Debt Certificate Conditions, the Debt Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Debt Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Settlement Price

“**Settlement Price**” means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate, subject as referred to in the definition of, “Averaging Date” or “Valuation Date” in General Certificates Condition 3:

- (A) in the case of Debt Certificates relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting; and
- (B) in the case of Debt Certificates relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security

### 2 Market Disruption

“**Market Disruption Event**” shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 that a Market Disruption Event has occurred.

### **3 Correction of Debt Security Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

## ANNEX 7: TERMS AND CONDITIONS OF FUTURES CERTIFICATES

*If Futures Certificates are specified as applicable in the relevant Final Terms, the terms and conditions applicable to Futures Certificates shall comprise the General Certificates Conditions and the additional terms and conditions set out below, which will be subject to completion and/or amendment in the relevant Final Terms (the “**Futures Certificate Conditions**”). In the event of any inconsistency between the General Certificates Conditions and the Futures Certificate Conditions, the Futures Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Futures Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

### 1 Definitions

“**Basket of Futures**” means a basket composed of each Future specified in the relevant Final Terms in the weightings specified in the relevant Final Terms;

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

“**Clearance System Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security, would have been) open for the acceptance and execution of settlement instructions;

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“**Early Closure**” means the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day;

“**Exchange**” means, in relation to a Future, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange);

“**Exchange Business Day**” means either (A) in the case of a single Future, Exchange Business Day (Single Future Basis) or (B) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the relevant Final Terms, provided that, if no such specification is made in the relevant Final Terms, Exchange Business Day (Per Future Basis) shall apply;

“**Exchange Business Day (All Futures Basis)**” means, in respect of all Futures included in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s), notwithstanding such Exchange closing prior to its Scheduled Closing Time;

“**Exchange Business Day (Per Future Basis)**” means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;



**“Exchange Business Day (Single Future Basis)”** means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange;

**“Futures”** means, subject to adjustments in accordance with this Annex, in the case of an issue of Certificates relating to a single Future, the futures contract and, in the case of an issue of Certificates relating to a Basket of Futures, each futures contract, specified in the relevant Final Terms, and related expressions shall be construed accordingly;

**“Futures Correction Period”** means (A) the period specified in the relevant Final Terms, or (B) if none is so specified, one Settlement Cycle;

**“Scheduled Trading Day”** means either (A) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (B) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the relevant Final Terms, provided that, if no such specification is made in the relevant Final Terms, Exchange Business Day (Per Future Basis) shall apply;

**“Scheduled Trading Day (All Futures Basis)”** means, in respect of all Futures composing the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

**“Scheduled Trading Day (Per Future Basis)”** means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

**“Scheduled Trading Day (Single Future Basis)”** means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

**“Settlement Cycle”** means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

**“Settlement Price”** means, unless otherwise stated in the relevant Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in the definition of “Averaging Date”, “Observation Date”, “Strike Date” or “Valuation Date” in General Certificates Condition 3, as the case may be:

- (A) in the case of Futures Certificates relating to a Basket of Futures and in respect of each Future composing the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the relevant Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (B) in the case of Futures Certificates relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so specified in the relevant Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the relevant Final Terms, the Valuation Date or (ii) if Averaging is specified in the relevant Final Terms, an Averaging Date;

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

## 2 Market Disruption

“**Market Disruption Event**” means, in relation to Certificates relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (C) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Certificateholders in accordance with General Certificates Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, or an Averaging Date, or an Observation Date or a Valuation Date.

## 3 Adjustments to a Future

### (A) *Futures Modification, Futures Replacement or Futures De-Listing*

If, on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, (i) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future (a “**Futures Modification**”), (ii) the relevant Exchange replaces the Future by a new Future contract to be substituted for the Future (a “**Futures Replacement**”) or (iii) the relevant Exchange announces that the relevant Future cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and it is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a “**Futures De-Listing**” and, together with a Futures Modification and a Futures Replacement, each a “**Futures Adjustment Event**”), then:

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Certificates and, if so, shall use the Future so modified or replaced in lieu of the initial Future with respect to the relevant Certificates; or
- (ii) unless “**Delayed Redemption on Occurrence of Futures Adjustment Event**” is specified as being applicable in the relevant Final Terms, the Issuer may redeem the Certificates by giving notice to Certificateholders in accordance with General Certificates Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Certificateholder in respect of each redeemed Certificate being redeemed at an amount equal to the fair market value of a Certificate, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; or
- (iii) if “**Delayed Redemption on Occurrence of Futures Adjustment Event**” is specified as being applicable in the relevant Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Futures Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Futures Adjustment Amount**”) as soon as practicable following the occurrence of the Futures Adjustment Event (the “**Calculated Futures Adjustment Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount

calculated by the Calculation Agent equal to (a) the Calculated Futures Adjustment Amount plus interest accrued from and including the Calculated Futures Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (b) if greater, the Notional Amount.

*(B) Notice*

The Calculation Agent shall, as soon as practicable, notify the relevant Certificate Agent of any determination made by it pursuant to paragraph A above and the action proposed to be taken in relation thereto and the Calculation Agent shall make available for inspection by Certificateholders copies of any such determinations.

#### **4 Correction of Futures Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Future published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

#### **5 Knock-in Event and Knock-out Event**

- (A)* If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B)* If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C)* If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the price of the Future triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- (D)* If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Future triggers the Knock-in Price

or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.

(E) *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means:

- (i) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent as equal to the sum of the values of each Future as the product of (a) the price of such Future as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,

(i) “greater than”, “greater than or equal to”, “less than” or “less than or equal to” the Knock-in Price or (ii) “within” the Knock-in Range Price in each case, as specified in the relevant Final Terms;

“**Knock-in Price**” means (i) in the case of a single Index, the price of the Future or (ii) in the case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

“**Knock-in Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Range Price**” means the range of prices specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“**Knock-out Determination Day**” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“**Knock-out Determination Period**” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“**Knock-out Event**” means:

- (i) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent as equal to the sum of the values of each Future as the product of (a) the price of such Future as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,

(i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“**Knock-out Price**” means, in the case of a single Future, (i) the price of the Future or (ii) in the case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

“**Knock-out Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-out Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“**Knock-out Valuation Time**” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 6 Automatic Early Redemption

- (A) If “Automatic Early Redemption Event” is specified as applicable in the relevant Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (B) *Definitions relating to Automatic Early Redemption*

Unless otherwise specified in the relevant Final Terms:

“**Automatic Early Redemption Amount**” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Notional

Amount in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“**Automatic Early Redemption Date**” means each date specified as such in the relevant Final Terms, or if such date is not a Business Day, the next following Business Day. Certificateholders shall not be entitled to any further payment in respect of any such delay;

“**Automatic Early Redemption Event**” means that (i) in the case of a single Future, the Future Price or (ii) in the case of a Basket of Futures, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“**Automatic Early Redemption Price**” means the price per Future specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3(*Adjustments*) above;

“**Automatic Early Redemption Rate**” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“**Automatic Early Redemption Valuation Date**” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”;

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Future composing the basket as the product of (i) the Future Price of such Future on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

“**Future Price**” means, in respect of any Automatic Early Redemption Valuation Date and a Future, the price per Future as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

## FORM OF FINAL TERMS FOR CERTIFICATES

### FINAL TERMS

DATED [●]

#### RABOBANK STRUCTURED PRODUCTS

**Issue of [Aggregate Amount of Tranche][Title of Certificates] (the “Certificates”)  
issued pursuant to the Leveraged Certificates, Warrants and Certificates Programme**

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

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 56 of Part A below, provided such person is one of the persons mentioned in paragraph 56 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances].<sup>13</sup>

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Certificates in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Certificates may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances].<sup>14</sup>

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 27 October 2010 [and the offering circular supplement dated [●]], which [together ]constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein

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<sup>13</sup> Consider including this legend where a non-exempt offer of the Certificates is anticipated.

<sup>14</sup> Consider including this legend where only an exempt offer of the Certificates is anticipated.

for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular[, as so supplemented]. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Offering Circular[, as so supplemented]. The Certificates will be issued on the terms of these Final Terms read together with the Offering Circular[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Circular[, as so supplemented], contains all information that is material in the context of the issue of the Certificates. The Offering Circular[ and the offering circular supplement ][is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer's website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).]

*(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 16) was issued under an Offering Circular with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated [original date] [and the Offering Circular Supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Offering Circular dated 27 October 2010. This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated 27 October 2010[ and the offering circular supplement dated [●]], which [together ]constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms, the Offering Circular dated 27 October 2010[, as so supplemented] and the Conditions. [The Offering Circular[ and the offering circular supplement] [is ][are ]available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer's website ([www.rabobank.com/ir](http://www.rabobank.com/ir)).]

References herein to numbered Conditions are to the Terms and Conditions of the Certificates.

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

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

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

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

[A [Dutch][French][specify other] language description of the principal terms of the Certificates is contained in Annex I hereto.]



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

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

This Final Terms relates to the series of Certificates as set out in “Specific Provisions for each Series” below. References herein to “Certificates” shall be deemed to be references to the relevant Certificates that are the subject of this Final Terms and references to “**Certificate**” shall be construed accordingly.

## GENERAL PROVISIONS

The following terms apply to each series of Certificates:

- |    |  |  |
|----|--|--|
| 1  | Issuer:                                      | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.<br>(Rabobank Structured Products)   |
| 2  | Series Number:                               | [•]  |
| 3  | Number of Certificates issued:               | [•]  |
| 4  | Trade Date:                                  | [specify]  |
| 5  | Issue Date [and Interest Commencement Date]: | [specify]  |
| 6  | Tranche:                                     | [•]<br>The Certificates are to be consolidated and form a single series with the [insert title of relevant series of Certificates] issued on [insert issue date].  |
| 7  | Type of Certificates:                        | (i) The Certificates are [Index Certificates]/[Equity Certificates]/[Fund Certificates]/[Debt Certificates]/[Currency Certificates]/[Commodity Certificates]/[Fund Certificates]/[Futures Certificates]/(specify other type of Certificates).<br><br>(ii) [The Certificates are [Reverse Convertible Certificates]/[Call Certificates]/[other -specify].]<br><br>(iii) [Exercise of Certificates applies to the Certificates. The Exercise Date is [specify]] or, if such day is not a Business Day, the immediately [preceding/succeeding] Business Day]. |
| 8  | Form of Certificates:                        | [Registered Certificate.]/[other - specify]  |
| 9  | Issue Price per Certificate:                 | [•]/[Specify currency]   |
| 10 | Business Day Centre(s):                      | The applicable Business Day Centre[s] for the purposes of the definition of “Business Day” in Condition [•] [is/are] [•].  |
| 11 | Settlement:                                  | Settlement will be by way of [cash payment (Cash Settled Certificates)] [and/or] [physical delivery  |

		(Physical Delivery Certificates)].
12	[Scheduled] Redemption Date:	[●]
13	Variation of Settlement:	
	(a) Issuer's option to vary settlement:	The Issuer [has/does not have] the option to vary settlement in respect of the Certificates.
	(b) Variation of Settlement of Physical Delivery Certificates:	[Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer may make payment of the Cash Settlement Amount on the Redemption Date and the provisions of General Certificates Condition 6(C) will apply to the Certificates./The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of General Certificates Condition 6(C) will not apply to the Certificates.]
14	Relevant Asset(s):	The relevant asset to which the Certificates relate [is/are] [●].
15	Instalment Certificates:	The Certificates [are/are not] Instalment Certificates.
	(a) Instalment Amount(s):	[specify]
	(b) Instalment Date(s):	[specify]
16	Partly Paid Certificates:	The Certificates [are/are not] Partly Paid Certificates. [specify details of the amount of each payment composing the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Certificates and interest due on late payment]
17	Exchange Rate:	The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in the relevant Annex to the Conditions) or the Cash Settlement Amount (as defined in General Certificates Condition 4) is [insert rate of exchange and details of how and when such rate is to be ascertained]/[Not Applicable]
18	Settlement Currency:	The settlement currency for the payment of [the Cash Settlement Amount/Redemption Amount] (in the case of Cash Settled Certificates)/[the Disruption Cash Settlement Price] (in the case of Physical Delivery Certificates) is [●].
19	Notional Amount of each Certificate:	[currency][amount]
20	Minimum Trading Size:	[specify]
21	Issuing and Paying Agent:	[Deutsche Bank AG, London Branch]/[other]
22	Early Redemption Unwind Costs	[Standard Early Redemption Unwind Costs]/[other – specify]

- 23 Calculation Agent: [Rabobank Structured Products]/[specify other][ADDRESS].
- 24 Special conditions or other modifications to the Conditions: [specify]

#### ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS

- 25 **Index Certificate Provisions:** The provisions of the Index Certificate Conditions shall apply.]
- (a) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [●] Index is a Composite Index.] (specify each Composite Index)
- (b) Exchange(s): As specified in the Index Certificate Conditions (if a Composite Index)/[●] (if not a Composite Index)
- (c) Related Exchange(s): [specify] [As specified in the Index Certificate Conditions] [All Exchanges]
- (d) Exchange Business Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]
- (e) Scheduled Trading Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]  
(must match election made for Exchange Business Day)
- (f) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with the General Certificate Conditions[/specify other]. (Only applicable in relation to Certificates relating to a Basket)]/[Not Applicable]
- (g) Settlement Price: [As specified in the Index Certificate Conditions]/[other – specify]
- (h) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in the General Certificate Conditions), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [insert calculation method]
- (i) Specified Maximum Days of Disruption: [Scheduled Trading Days] / [other – specify]
- (j) Valuation Date: [specify]/[As specified in the General Certificate Conditions]
- (k) Valuation Time: [As specified in the General Certificate Conditions.]/ [other – specify]
- (l) Index Correction Period [As specified in the Index Certificate Conditions]/[other - specify]
- (m) Knock-in Event: The amount specified in the Index Certificate

- Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-in Level.]/[Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Level: [specify]
  - (ii) Knock-in Period Beginning Date: [specify]
  - (v) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (iv) Knock-in Determination Day(s): [Each Scheduled Trading Day in the Knock-in Determination Period]/[*other – specify*]
  - (vi) Knock-in Period Ending Date: [specify]
  - (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (viii) Knock-in Valuation Time: [As specified in the Index Certificate Conditions]/[*Other – specify*]
- (n) Knock-out Event: The amount specified in the Index Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-out Level.]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-out Level: [specify]
  - (ii) Knock-out Period Beginning Date: [specify]
  - (v) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (iv) Knock-out Determination Day(s): Each Scheduled Trading Day in the Knock-out Determination Period] /[*Other – specify*]
  - (vi) Knock-out Period Ending Date: [specify]
  - (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (viii) Knock-out Valuation Time: [As specified in the Index Certificate Conditions]/[*Other – specify*]
- (o) Automatic Early Redemption Event: [Where the Index Level (*single index*) [Basket Price]

(basket of indices) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.]/[Not Applicable]

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

- (i) Automatic Early Redemption Amount: [As specified in the Index Certificate Conditions]/[*other - specify*]
  - (ii) Automatic Early Redemption Date(s): [*specify*]
  - (iii) Business Day Convention: [*specify*]
  - (iv) Automatic Early Redemption Level: [*specify*]
  - (v) Automatic Early Redemption Rate: [*specify*]
  - (vi) Automatic Early Redemption Valuation Date(s): [*specify*]
  - (p) Delayed Redemption on Occurrence of Adjustment Event: [Not Applicable/ Applicable]
- 26 **Equity Certificate Provisions:** [The provisions of the Equity Certificate Conditions shall apply.]
- (a) Equity(s)/Equity Issuer/Basket Company: [*insert type of Equity(s) and Equity Issuer/Basket Companies*]
  - (b) Exchange(s): [*specify*]
  - (c) Related Exchange(s): [*specify*] [All Exchanges]
  - (d) Exchange Business Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis]
  - (e) Scheduled Trading Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis]  
(*must match election made for Exchange Business Day*)
  - (f) Weighting: [The weighting to be applied to each item composing the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with the General Certificate Conditions]/[*other - specify*]. (*Only applicable in relation to Certificates relating to a Basket*)]
  - (g) Settlement Price: [As specified in the Equity Certificate Conditions.]/[*other - specify*]. [*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*]
  - (h) Specified Maximum Days of Disruption: [Scheduled Trading Days]/[*other -specify*]

- (i) Valuation Date: [As specified in the General Certificate Conditions.]  
/[*other - specify*].
- (j) Valuation Time: [As specified in the General Certificate Conditions.]  
/[*other - specify*].
- (k) Knock-in Event: The amount specified in the Equity Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-in Level.]/[Not applicable]  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Knock-in Price: [*specify*]
- (ii) Knock-in Period Beginning Date: [*specify*]
- (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (v) Knock-in Determination Day(s): [*specify*]/[Each Scheduled Trading Day in the Knock-in Determination Period]
- (vi) Knock-in Period Ending Date: [*specify*]
- (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (viii) Knock-in Valuation Time: [*specify*]/[As specified in the Equity Certificate Conditions]
- (l) Knock-out Event: The amount specified in the Equity Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-out Level.]/[Not applicable]  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Knock-out Price: [*specify*]
- (ii) Knock-out Determination Day(s): [*specify*]/[Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [*specify*]
- (iv) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (v) Knock-out Period Ending Date: [*specify*]

- (vi) Knock-out Period Ending Date [Not Applicable/Applicable]  
Scheduled Trading Day  
Convention:
- (vii) Knock-out Valuation Time: [As specified in the Equity Certificate Conditions]/[*other - specify*].)
- (m) Automatic Early Redemption Event: [Where the Equity Price (*single equity*) [Basket Price] (*basket of equities*) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.]/[Not Applicable]  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Automatic Early Redemption Amount: [*specify*]/[As specified in the Equity Certificate Conditions.]
- (ii) Automatic Early Redemption Date(s): [*specify*]
- (iii) Business Day Convention: [*specify*]
- (iv) Automatic Early Redemption Price: [*specify*]
- (v) Automatic Early Redemption Rate: [*specify*]
- (vi) Automatic Early Redemption Valuation Date(s): [*specify*]
- (n) Redemption on Occurrence of Extraordinary Event: [As specified the Conditions]/{Not Applicable}
- (o) Delayed Redemption on Occurrence of Extraordinary Event: [Not Applicable/Applicable]
- (p) Equity Correction Period: [As per the Conditions/*specify*]
- (q) Dividend Payment: [Not Applicable/ Applicable]

27 **Debt Certificate Provisions:**

- (a) Nominal Amount: The nominal amount which is to be used to determine the Cash Settlement Amount is [●] and the relevant screen page (“**Relevant Screen Page**”) is [●].
- (b) Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Certificates, [*insert appropriate fallback provisions*].
- (c) Exchange Business Day: Exchange Business Day means [●].
- (d) Valuation Date: [As specified in the General Certificate Conditions.] [Other] (*specify*)
- (e) Valuation Time: [As specified in the General Certificate Conditions.] [Other] (*specify*)

(f) Specified Maximum Days of Disruption: [specify]

28 **Commodity Certificate Provisions:**

- (a) Commodity/Commodities: [specify Commodity/Commodities]
- (b) Pricing Date(s): [specify]
- (c) Commodity Reference Price: [specify]
- (d) Additional Disruption Fallback(s): [specify]/[Not Applicable]
- (e) Valuation Date: [As specified in the General Certificate Conditions.]  
[other –specify]
- (f) Valuation Time: [As specified in the General Certificate Conditions.]  
[other - specify]
- (g) Maximum Days of Disruption: [specify] [Commodity Business Days]
- (h) Knock-in Event: The amount specified in the Commodity Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-in Level.]/[Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Level: [specify]
- (ii) Knock-in Period Beginning Date: [specify]
- (iv) Knock-in Determination Day(s): [specify]
- (v) Knock-in Period Beginning Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (vi) Knock-in Period Ending Date: [specify]
- (vii) Knock-in Period Ending Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (viii) Knock-in Valuation Time: [As specified in the Commodity Certificate Conditions]  
[other – specify]
- (i) Knock-out Event: The amount specified in the Commodity Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-out Level.]/[Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-out Level: [specify]
- (ii) Knock-out Period Beginning [specify]



- Date:
- (iv) Knock-out Determination Day(s): [specify]
- (v) Knock-out Period Beginning Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (vi) Knock-out Period Ending Date: [specify]
- (vii) Knock-out Period Ending Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (viii) Knock-out Valuation Time: [As specified in the Commodity Certificate Conditions] [Other] (specify)
- (j) Automatic Early Redemption Event: Where the Commodity Price (*single commodity*) [Basket Price] (*basket of commodities*) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Automatic Early Redemption Amount: [specify/See definition in [●]]
- (ii) Automatic Early Redemption Date(s): [specify]
- (iii) Business Day Convention: [specify]
- (iv) Automatic Early Redemption: [specify]
- (v) Automatic Early Redemption Rate: [specify]
- (vi) Automatic Early Redemption Valuation Date(s): [specify]
- (k) Delayed Redemption on occurrence of Market Disruption Event: [Not Applicable/ Applicable]
- 29 **Currency Certificate Provisions:** [The provisions of the Currency Certificate Conditions shall apply.]
- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the “**Base Currency**”) is: [specify]
- (c) The relevant subject [currency/currencies] (each a “**Subject Currency**”) [is/are]: [specify]
- (d) Valuation Date: [As specified in the General Certificate Conditions.]/[other – specify]

- (e) Valuation Time: [As specified in the General Certificate Conditions.]/[*other – specify*]
- (f) Knock-in Event: The amount specified in the Currency Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-in Level.]/[Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Level: [*specify*]
- (ii) Knock-in Period Beginning Date: [*specify*]
- (iv) Knock-in Determination Day(s): [*specify*]
- (v) Knock-in Period Ending Date: [*specify*]
- (vi) Knock-in Valuation Time: [As specified in the Currency Certificate Conditions] /[*Other – specify*]
- (g) Knock-out Event: The amount specified in the Currency Certificate Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-out Level.]/[Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-out Level: [*specify*]
- (ii) Knock-out Period Beginning Date: [*specify*]
- (iv) Knock-out Determination Day(s): [*specify*]
- (v) Knock-out Period Ending Date: [*specify*]
- (vi) Knock-out Valuation Time: [As specified in the Currency Certificate Conditions]/[*other – specify*]
- 30 **Fund Certificate Provisions:** [The provisions of the Fund Certificate Conditions shall apply.]
- (a) Fund: [*specify*]  
[The [●] Fund is an ETF.]<sup>15</sup>
- (b) Fund Equity(ies): [*specify*]
- (c) Exchange (for ETF): [*specify*]/[Not Applicable]
- (d) Fund Documents: [*specify*]

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<sup>15</sup> Specify each ETF (if any).

- (e) Fund Business Day: [As specified in the Fund Certificate Conditions]/[specify]
- (f) Fund Service Provider: [As specified in the Fund Certificate Conditions]/[specify]
- (g) Calculation Date: [As specified in the Fund Certificate Conditions]/[specify]
- (h) Initial Calculation Date: [specify]/[Not Applicable]
- (i) Final Calculation Date: [specify]/[Not Applicable]
- (j) Portfolio: [specify]/[Not Applicable]
- (k) Cash Facility: [Overnight USD LIBOR Facility]/[Overnight EURIBOR Facility]/[three-month USD LIBOR Facility]/[three-month EURIBOR Facility]/[specify]
- (l) Protected Amount: [specify]
- (m) NAV Barrier: [specify]
- (n) NAV Trigger Percentage: [specify]
- (o) NAV Trigger Period: [specify]
- (p) Number of NAV Publication Days: [specify]
- (q) Settlement Price: [specify]
- (r) Valuation Date: [As specified in the General Certificate Conditions.]/[other – specify]
- (s) Valuation Time: [As specified in the General Certificate Conditions.]/[other – specify]
- (t) Additional Extraordinary Fund Event(s): [specify]  
(Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)
- (u) Consequences of Extraordinary Fund Event: [As specified in the Fund Certificate Conditions]/[specify]
- (v) Potential Replacement Index: [specify]
- (w) Termination Amount: [Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[specify]/[Not Applicable]
- (x) Spread: [specify]
- (y) Termination Date: [specify]
- (z) Delayed Redemption on Occurrence of Extraordinary Fund Event: [Not Applicable/ Applicable]
- (aa) Additional Provisions: [specify]
- (bb) The Coupon Payment Dates are: [specify]
- 31 **Futures Certificate Provisions:** [Not Applicable/ applicable]
- (a) Future(s): [insert type of Future(s)]
- (b) Exchange(s): [specify]

- (c) Exchange Business Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]
- (d) Scheduled Trading Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]  
(*must match election made for Exchange Business Day*)
- (e) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with the General Certificate Conditions] /*[other - specify]*. (*N.B. Only applicable in relation to Certificates relating to a Basket*)]
- (f) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from* Futures Certificate Condition 0]. (*If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)
- (g) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 5), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
- (h) Specified Maximum Days of Disruption: [As defined in Condition 3]/[*specify*] Scheduled Trading Days]
- (i) Valuation Date: [As specified in the General Certificate Conditions.]/[*other – specify*]
- (j) Valuation Time: [As specified in the General Certificate Conditions.]/[*other – specify*]
- (k) Knock-in Event: The amount specified in the Futures Certificate Conditions where such amount is [greater than] [greater than or equal to] [less than] [less than or equal to] [within] (*delete inapplicable*) the Knock-in Level.]/ [Not applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) [Knock-in Price/Knock-in Range Price]: [*specify*]/[From and including/From and excluding][*specify*][to and including/to but excluding][*specify*]
- (ii) Knock-in Period Beginning Date: [*specify*]
- (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (v) Knock-in Determination Day(s): [*specify*]/[Each Scheduled Trading Day in the Knock-in Determination Period]

- (vi) Knock-in Period Ending Date: [specify]
- (vii) Knock-in Period Ending Date [Not Applicable/Applicable]  
Scheduled Trading Day  
Convention:
- (viii) Knock-in Valuation Time: [As specified in the Fund Certificate Conditions] / [other – specify]
- (l) Knock-out Event: The amount specified in the Futures Certificate Conditions where such amount is [greater than] [greater than or equal to] [less than] [less than or equal to] (*delete inapplicable*) the Knock-out Level.]/[Not applicable]  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Knock-out Price: [specify]
- (ii) Knock-out Period Beginning Date: [specify]
- (iii) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not applicable/Applicable]
- (v) Knock out Determination Day(s): [specify]/[Each Scheduled Trading Day in the Knock-out Determination Period]
- (vi) Knock-out Period Ending Date: [specify]
- (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not applicable/Applicable]
- (viii) Knock-out Valuation Time: [As specified in the Fund Certificate Conditions]/[other – specify]
- (m) Automatic Early Redemption Event: Where the Future Price (*single future*) [Basket Price] (*basket of futures*) is [greater than] [greater than or equal to] [less than] [less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.  
  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Automatic Early Redemption Amount: [specify]/[See definition in Futures Certificate Condition 52.]
- (ii) Automatic Early Redemption Date(s): [specify]
- (iii) Automatic Early Redemption Price: [specify]
- (iv) Automatic Early Redemption Rate: [specify]

- (v) Automatic Early Redemption Valuation Date(s): [specify]
- (n) Delayed Redemption on the Occurrence of a Futures Adjustment Event: [Not Applicable/ applicable]
- (o) Futures Correction Period: [As specified in the Futures Certificate Conditions/specify]
- 32 Additional Disruption Events: The following Additional Disruption Events apply to the Certificates:
- (Specify each of the following which applies. Additional Disruption Events are applicable to certain Index Certificates or Equity Certificates. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Certificates, Currency Certificates, Commodity Certificates, Index Certificates relating to Commodity Indices and Fund Certificates and, if so, the relevant definitions will require amendment.)*
- [Change in Law]
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- (N.B. Only applicable in the case of Equity Certificates)
- [Loss of Stock Borrow]
- [Analogous Event]
- [Currency Event]
- [Force Majeure Event]
- [Failure to Deliver due to Illiquidity]
- (Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to Physical Delivery Certificates)*
- [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Equity/Security] is [●]. (Only applicable if Loss of Stock Borrow is applicable)]
- [The Initial Stock Loan rate in respect of [specify in relation to each relevant Equity/Security] is [●].(Only applicable if Increased Cost of Stock Borrow is applicable)]
- Delayed Redemption on Occurrence of Additional Disruption Event: [Not Applicable/ Applicable]

## PROVISIONS RELATING TO INTEREST

- 33 Interest: The Certificates [do not] pay interest.
- 34 Fixed Rate Provisions: [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Fixed Rate[(s)] of Interest [specify] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[monthly] in arrear].  
 ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption):
- (b) Interest Period End Date(s): [specify] in each year.
- (c) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[None]
- (d) Interest Payment Date(s): [specify] in each year [adjusted in accordance with
- (e) Business Day Convention for Interest Payment Date(s): [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted.]  
 [Following]/[Modified Following]/[Preceding]/[None]/[Not Applicable]  
*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (f) Fixed Coupon Amount[(s)]: [specify] per Certificate
- (g) Day Count Fraction: [specify] [30/360/Actual/Actual (-[ICMA]/[ISDA])/Actual/365 ([Fixed/Sterling])/Actual/360/30/360/30E/360/[other]/]
- (h) Determination Dates: [specify] in each year *(Insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ("ICMA"))*
- (i) Other terms relating to the method of calculating interest for Fixed Rate Certificates: [Not Applicable]/[give details]
- 35 **Floating Rate Provisions:** [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Interest Period(s): [specify]
- (b) Interest Period End Date(s): [specify]
- (c) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]

- (d) Interest Payment Date(s): [specify]  
 Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable]  
*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (e) Interest Payment Date(s): [specify]
- (f) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (g) Manner in which Rate of Interest and Interest Amount to be determined (including on overdue amounts after Redemption Date or date set for early redemption): [Screen Rate Determination]/[ISDA Determination]/[other - specify]
- (h) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
- (i) Screen Rate Determination:
- (i) Reference Rate: [specify]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – [including fallback provisions])*
- (ii) Interest Determination Date(s): [specify]  
*(Second London business day prior to the start of each Interest Period if LIBOR and second TARGET day prior to the start of each Interest Period if EURIBOR)*
- (iii) Specified Time: [specify] *(which will be 11:00 a.m., London time, in the case of LIBOR, or 11:00 a.m., Brussels time, in the case of EURIBOR)*
- (iv) Relevant Screen Page: [specify]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (j) ISDA Determination:
- (i) Floating Rate Option: [specify]
- (ii) Designated Maturity: [specify]
- (iii) Reset Date: [specify]
- (k) Margin(s): [+/-][specify] per cent. per annum



- (l) Minimum Interest Rate: [specify] per cent. per annum
  - (m) Maximum Interest Rate: [specify] per cent. per annum
  - (n) Day Count Fraction: [specify] [unadjusted]
  - (o) Fallback provisions, day count fraction, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Certificates if different from those set out in the Conditions: [specify]
- 36 **Index Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [●] Index is a Composite Index] (*Specify each Composite Index (if any).*)
  - (b) Formula: [specify]
  - (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
  - (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
  - (e) Interest Period(s): [specify]
  - (f) Interest Period End Date(s): [specify]
  - (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
  - (h) Interest Payment Date(s): [specify]
  - (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable]  
*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
  - (j) Day Count Fraction: [specify]
  - (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]  
[In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]

- (l) Valuation Date: *[specify]*
- (m) Valuation Time: *[specify]*
- (n) Index Correction Period: [As specified in the General Certificate Conditions]/*[specify]*
- (o) Observation Dates: *[specify]*  
[In the event that an Observation Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (p) Observation Period: *[specify]*
- (q) Specified Maximum Days of Disruption: *[specify]*/[Scheduled Trading Days]
- (r) Exchange(s): *[specify]*
- (s) Related Exchange(s): *[specify]*/[All Exchanges]
- (t) Exchange Business Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]
- (u) Scheduled Trading Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis] (*must match election made for Exchange Business Day*)
- (v) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Condition [●] *[other - specify]*. (*Only applicable in relation to Certificates relating to a Basket*)]/[Not Applicable]
- (w) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from [●]*].

**37 Equity Linked Interest Certificates:** [Not Applicable/ Applicable]

- (a) Equity(s)/Equity Issuer/Basket Company: [*insert type of Equity(ies) and Equity Issuer/Basket Companies*]
- (b) Formula: *[specify]* [*If formula includes an initial closing price, use term "Initial Price" for relevant definition*]
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): *[specify]*
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: *[specify]*
- (e) Interest Period(s): *[specify]*
- (f) Interest Period End Date(s): *[specify]*
- (g) Business Day Convention for [Following]/[Modified

- Interest Period End Date(s): Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): *[specify]*
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (j) Day Count Fraction: *[specify]*
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]   
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (l) Valuation Date: *[specify]*
- (m) Valuation Time: *[specify]*
- (n) Observation Dates: *[specify]*   
 [In the event that an Observation Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (o) Observation Period: *[specify]*
- (p) Specified Maximum Days of Disruption: *[specify]* [Scheduled Trading Days]
- (q) Exchange(s): *[specify]*
- (r) Related Exchange(s): *[specify]*/[All Exchanges]
- (s) Exchange Business Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis]
- (t) Scheduled Trading Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis] *(must match election made for Exchange Business Day)*
- (u) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is *[specify]*. Each such Weighting shall be subject to adjustment [in accordance with [●]/*[specify other]*. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (v) Settlement Price: The Settlement Price will be calculated *[insert calculation method if different from [●]]*. [(N.B. If Settlement Price includes formula incorporating initial closing price, use term “Initial Price” for relevant definition.)]

- 38 Debt Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Debt Securities: [specify]
- (b) Formula: [specify]
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (e) Interest Period(s): [specify]
- (f) Interest Period End Date(s): [specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): [specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (j) Day Count Fraction: [specify]
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [•].]  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (l) Valuation Date: [specify]
- (m) Valuation Time: [specify]
- (n) Observation Dates: [specify]  
[In the event that an Observation Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (o) Observation Period: [specify]
- (p) Specified Maximum Days of Disruption: [specify]
- (q) Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Certificates, [insert appropriate fallback provisions].

- (r) Exchange Business Day: “**Exchange Business Day**” means *[specify]*.
- 39 Commodity Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Commodity/Commodities: [i]
- (b) Formula: *[specify]*
- (c) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): *[specify]*
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: *[specify]*
- (e) Interest Period(s): *[specify]*
- (f) Interest Period End Date(s): *[specify]*
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): *[specify]*
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (j) Day Count Fraction: *[specify]*
- (k) Pricing Date(s): *[specify]*
- (l) Commodity Reference Price: *[specify]*
- (m) Specified Maximum Days of Disruption: *[specify]*
- (n) Additional Disruption Fallback(s): *[specify]*/[Not Applicable]
- (o) Valuation Date: *[specify]*
- (p) Valuation Time: *[specify]*
- 40 Currency Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) The relevant base currency (the “**Base Currency**”) is: *[specify]*
- (b) The relevant subject [currency/currencies] (each a “**Subject Currency**”) [is/are]: *[specify]*
- (c) Formula: *[specify]*
- (d) Party responsible for calculating the Rate(s) of Interest or Interest

Amount(s) (if not the Calculation Agent):

- (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (f) Interest Period(s): [specify]
- (g) Interest Period End Date(s): [specify]
- (h) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (i) Interest Payment Date(s): [specify]
- (j) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (k) Day Count Fraction: [specify]
- (l) Relevant Screen Page: [specify]
- (m) Valuation Date: [specify]
- (n) Valuation Time: [specify]

**41 Fund Linked Interest Certificates:** [Not Applicable/ Applicable]

- (a) Fund: [specify]  
[The [●] Fund is an ETF] *(Specify each ETF (if any))*
- (b) Fund Equity(ies): [specify]
- (c) Formula: [specify]
- (d) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): [specify]
- (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (f) Interest Period(s): [specify]
- (g) Interest Period End Date(s): [specify]
- (h) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (i) Interest Payment Date(s): [specify]
- (j) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable]

*(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*

- (k) Day Count Fraction: [specify]
- (l) Fund Documents: [specify]
- (m) Additional Extraordinary Fund Event(s): [specify]
- (n) Number of NAV Publication Days: [specify]
- (o) Settlement Price: [specify]
- (p) Valuation Time: [specify]
- (q) Valuation Date: [specify]
- (r) Consequences of Extraordinary Fund Event: [specify]
- (s) Exchange: [specify]/[Not Applicable]
- (t) Termination Amount: [specify]/[Not Applicable]
- (u) Portfolio: [specify]/[Not Applicable]
- (v) Additional Provisions: [specify]
- 42 Futures Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Futures: [insert type of Futures]
- (b) Formula: [specify] *(If Formula includes an initial closing price, use term "Initial Price" for relevant definition)*
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (e) Interest Period(s): [specify]
- (f) Interest Period End Date(s): [specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not applicable]
- (h) Interest Payment Date(s): [specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest*

*Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*

- (j) Day Count Fraction: [specify]
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]  
[In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (l) Interest Valuation Time: [specify]
- (m) Valuation Date: [specify]
- (n) Observation Dates: [specify]  
[In the event that an Observation Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (o) Observation Period: [specify]
- (p) Specified Maximum Days of Disruption: [As defined in Condition 4]/[specify] [Scheduled Trading Days]
- (q) Exchange(s): [specify]
- (r) Exchange Business Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]
- (s) Scheduled Trading Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis] (*must match election made for Exchange Business Day*)
- (t) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [specify]. Each such Weighting shall be subject to adjustment [in accordance with Futures Certificate Condition 3]/[specify other]. (*Only applicable in relation to Certificates relating to a Basket*)
- (u) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Futures Certificate Condition 3*]. (*If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)

#### **ISSUER CALL OPTION IN RESPECT OF CERTIFICATES**

- 43 Issuer Call Option: [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [specify]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [specify]



- (c) Notice period (if different from [specify]  
those set out in the Conditions):

#### **HOLDER PUT OPTION IN RESPECT OF CERTIFICATES**

- 44 Certificateholder Put Option: [Not Applicable/ Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [specify]
- (b) Optional Redemption Amount(s) [specify]  
and method, if any, of calculation of  
such amount(s):
- (c) Notice period (if different from [specify]  
those set out in the Conditions):

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

- 45 Obligatory Redemption: [Not Applicable/ Applicable]  
(General Certificates Condition 5(G))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Obligatory Redemption Date: [specify]
- (b) Obligatory Redemption Amount of [specify]  
each Certificate and method, if any,  
of calculation of such amount:

#### **PROVISIONS RELATING TO VALUATION ON REDEMPTION**

- 46 Cash Settlement Amount: *[insert details of Cash Settlement Amount/Redemption Amount and how it is to be calculated for Cash Settled Certificates]*
- 47 Strike Date: [specify]  
*(N.B. Only relevant for certain Index and Equity Certificates)*
- 48 Valuation Date: [specify]
- 49 Averaging: Averaging [applies]/[does not apply] to the Certificates.  
[The Averaging Dates are [specify].] *(Not applicable to inflation Index Certificates)*  
  
[In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] (as defined in Condition [●]) will apply.] *(Not applicable for Commodity Certificates)*  
  
[In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] *(Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates).*]
- 50 Observation Dates: [specify]

- [In the event that an Observation Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.] (*Not applicable to Commodity Certificates*)
- [In the event of Modified Postponement applying, the Observation Date will be determined [*specify relevant provisions*] (*Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates*).]
- 51 Observation Period: [*specify*] (*Not applicable to inflation Index Certificates*)
- 52 Settlement Business Day: “**Settlement Business Day**” for the purposes of Condition 7 means [*specify*]. (*Only applicable in the case of Physical Delivery Certificates*)
- 53 Cut-off Date: [*specify*] (*Only applicable in the case of Physical Delivery Certificates and if provisions in Conditions not applicable*)

## DISTRIBUTION

- 54 Method of distribution: [Syndicated]/[Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/[*give names, and addresses and underwriting commitments*] (*Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers*)
- (b) Date of Subscription Agreement: [●]
- 55 If non-syndicated, name and address of relevant Dealer: [Not Applicable]/[*give name and address*]
- 56 [Total commission and concession: [●]]
- 57 Non-exempt Offer:<sup>16</sup> [Not Applicable] [An offer of Certificates may be made by the Manager[s] [and [*specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known, OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known (together with the Managers, the “**Financial Intermediaries**”)] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s)*] – *which must be jurisdictions where the**

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<sup>16</sup> Not relevant for an issue of Certificates with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency).

*Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (the “Public Offer Jurisdictions”) during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (the “Offer Period”). See further Paragraph 9 of Part B below.*

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the offering circular (and any supplement) has been notified/passported.)*

58 Additional Selling Restrictions;

*[Insert any additional selling restrictions]*

### **[Listing Application**

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Certificates described.]

### **Responsibility**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. The information included in [the Annex] (the “[●] Information”) consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

As Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1 Listing and Admission to trading:

[The Certificates are unlisted]/[Application has been made to list the Certificates on NYSE Euronext in Amsterdam] [specify other exchange].

*(Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)*

### 2 [Ratings

Ratings:

The Certificates to be issued have been rated:

[Standard & Poor's: [●]]

[Moody's: [●]]

[[Other]: [●]]

*[need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:*

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

### 3 [Risk Factors

*[include any product-specific risk factors which are not covered under "Risk Factors" in the Offering Circular. If any such additional risk factors need to be included, consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for either (i) a supplement to the Offering Circular under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a 48-hour time period or (ii) a Prospectus.]]*

### 4 [Notification

*The Authority for the Financial Markets, which is the Netherlands competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Offering Circular has been drawn up in accordance with the Prospectus Directive.]*

The Issuer has authorised the use of these Final Terms and the Offering Circular dated 27 October 2010 by [the Managers] and [include names [and addresses] of other financial intermediaries involved in the offer] (the "**Distributors**" [and, together with the Managers, the "**Financial Intermediaries**") in connection with offers of the Certificates to the public in [insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported] for the period set out in paragraph [●] below.]

## 5 [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

*[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

“Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.”]

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

## 6 [Reasons for the Offer, Estimated Net Proceeds and Total Expenses]<sup>17</sup>

- (a) Reasons for the offer: [•]  
(See “Use of Proceeds” wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.)
- (b) Estimated net proceeds: [•]  
(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)
- (c) Estimated total expenses: [•] [Include breakdown of expenses]
- (d) [Fees [•] [Include breakdown of fees]]]

## 7 Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

*[need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.] [Where the Underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]*

## 8 Operational Information

- (a) ISIN:
- (b) Common Code:
- (c) Relevant Clearing System(s): [Euroclear Netherlands]  
[Euroclear or Clearstream, Luxembourg]  
[other - specify]

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<sup>17</sup> Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

- (d) If other than Euroclear Netherlands, include the relevant identification number(s): [Identification number(s):]

## 9 Terms and Conditions of the Public Offer

- (a) Offer Price: [Issue Price]/[give details]
- (b) Conditions to which the offer is subject: [Not Applicable]/[give details]
- (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable]/[give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable]/[give details]
- (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable]/[give details]
- (f) Details of the minimum and/or maximum amount of application:<sup>18</sup> [Not Applicable]/[give details]
- (g) [Details of the method and time limits for paying up and delivering the Certificates:] [Not Applicable]/[give details]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable]/[give details]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable]/[give details]
- (j) [Categories of potential investors to which the Certificates are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable]/[give details]
- (k) [Process for notification to applicants of the amount allotted and an indication whether dealing may begin before notification is made:] [Not Applicable]/[give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable]/[give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable]/[give details]
- (n) [Description of the application process:] [Not Applicable]/[give details]

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<sup>18</sup> Whether in number of certificates or aggregate amount to invest.

## **10 Yield**

*[Fixed Rate Certificates only]*

*[An indication of yield. Describe the method whereby that yield is calculated in summary form.]*

## **11 Historic Interest Rates**

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



## **USE OF PROCEEDS**

The net proceeds of the Securities will be used by the Issuer for general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## CLEARING AND SETTLEMENT

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

### **Book-Entry Ownership**

#### *Euroclear Netherlands*

Unless specified otherwise in the relevant Final Terms, all Securities will be issued in uncertificated and dematerialised book-entry form in accordance with the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) and the rules, regulations and operating procedures applicable to and/or issued by Euroclear Netherlands from time to time. No physical global or definitive Securities or certificates will be issued in respect of the Securities.

#### *Euroclear and Clearstream, Luxembourg*

Transfers of any interests in Securities represented by a Global Security within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

## DESCRIPTION OF BUSINESS OF RABOBANK GROUP

### General

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 30 June 2010, it comprised 143 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier 1 capital, Rabobank Group is among the world's 25 largest financial institutions (source: *The Banker*).

Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 950 branches and 2,986 cash-dispensing machines at 30 June 2010, the local Rabobanks form a dense banking network in the Netherlands. The website [www.rabobank.nl](http://www.rabobank.nl) serves over 3 million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients and approximately 800,000 corporate clients, both private and corporate offering a comprehensive package of financial services.

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

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an ongoing programme, Rabobank Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end, Rabobank Group pursues an all-finance concept, meaning that it provides an integrated range of financial services comprising primarily domestic retail banking, wholesale and international retail banking, asset management and investment, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As part of this all-finance strategy, Rabobank Group focuses on operations that produce fee-based income in addition to its traditional interest-based income sources.

At 30 June 2010, Rabobank Group had total assets of € 675.8 billion, a private sector loan portfolio of € 435.1 billion, amounts due to customers of € 297.8 billion, savings deposits of € 125.5 billion and equity of € 40.5 billion. Of the private sector loan portfolio, € 202.3 billion, virtually all of which are mortgages, consists of loans to private individuals, € 156.4 billion of loans to the trade, industry and services sector and € 76.4 billion of loans to the food and agri sector. At 30 June 2010, its Tier 1 ratio, which is the ratio between Tier 1 capital and total risk-weighted assets, was 14.9 per cent. For the six-months period ended 30 June 2010, Rabobank Group's efficiency ratio was 60.4 per cent., and the return on equity, or net profit expressed as a percentage of Tier 1 capital, was 10.3 per cent. For the six-month period ended 30 June 2010, Rabobank

Group realised a net profit of €1,661 million and a risk-adjusted return on capital (“**RAROC**”) of 15.0 per cent. after tax. At 30 June 2010, Rabobank Group had 58,419 full-time employees.

## Rabobank Group

### Rabobank Group organisational chart

Situation at 1 July 2010



The local Rabobanks make up the core of the banking business. They form the heart of the cooperative. Being the umbrella organisation, Rabobank Nederland supports the local Rabobanks, for instance by helping them develop new products and market their services. Rabobank Nederland also carries out staff functions for the local Rabobanks and for Rabobank Group as a whole. Rabobank International applies its expertise towards serving a large number of corporate and retail clients globally. Rabobank Group also provides services via several specialist subsidiaries and associates that operate in different markets under their own labels.

## Business activities of Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its subsidiaries, Rabobank Group provides services in the following five core business areas: domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate.

### *Domestic retail banking*

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. (“**Obvion**”) and Rabohypotheekbank N.V. (“**Rabohypotheekbank**”). In the Netherlands, Rabobank is the largest mortgage bank (source: Dutch Land Registry Office (*Kadaster*)), savings bank (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)) and insurance agent (source: Insurance Magazine Yearbook 2009 (*AM Jaarboek 2009*)). Based on internal estimates, the Group believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers.

At 30 June 2010, Rabobank Group's domestic retail banking operations had total assets of € 349.8 billion, a private sector loan portfolio of € 282.0 billion, amounts due to customers of € 191.9 billion and savings deposits of € 111.9 billion. For the six-month period ended 30 June 2010, Rabobank Group's domestic retail banking operations accounted for 50 per cent., or € 3,254 million, of Rabobank Group's total income and 56 per cent., or € 932 million, of Rabobank Group's net profit. At 30 June 2010, Rabobank Group's domestic retail banking operations employed 27,670 full-time employees.

#### *Local Rabobanks*

The 143 (at 30 June 2010) local Rabobanks are independent cooperative entities, each with their own operating areas. With 950 branches and 2,986 cash-dispensing machines at 30 June 2010, they are one of the leading local banks in the Netherlands with a dense branch network. The website [www.rabobank.nl](http://www.rabobank.nl) serves over 3 million online banking customers. Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and the telephone. Together, the local Rabobanks serve approximately 6.8 million private clients and approximately 800,000 corporate clients in the Netherlands with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with Rabobank. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks have traditionally had close ties with the agricultural sector and, together they are the largest insurance broker in the Netherlands (source: *Insurance Magazine Yearbook 2009 (AM Jaarboek 2009)*).

#### *Obvion N.V.*

Obvion is a joint venture between Rabobank Group and APG (a pension assets manager). It is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers. Rabobank Group has a 50 per cent. shareholding in Obvion and a voting share of 70 per cent.

#### *Rabohypotheekbank N.V.*

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is 100 per cent. owned by Rabobank Nederland.

Rabohypotheekbank also serves as a supplementary financing vehicle for the local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. At 31 December 2009, Rabohypotheekbank had assets of € 11.6 billion.

### ***Wholesale and international retail banking***

#### *Rabobank International*

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agri sector. Rabobank International is a division of Rabobank Nederland and has branches in 30 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Structured Finance, Leveraged Finance, Renewable Energy & Infrastructure Finance, Direct

Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Global Financial Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Leveraged Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Structured Finance offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors: wind, solar, biofuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland and New Zealand.

Rabobank's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly-owned subsidiary, and the Polish Bank BGZ, in which Rabobank International has a 59 per cent. stake.

Over the last few years, Rabobank International has strengthened its position in retail banking. It expanded its activities in the United States by acquiring Community Bank of Central California in 2006 and Mid-State Bank & Trust in 2007. Smaller acquisitions of retail banking activities were made in Chile and Indonesia in 2007. In 2008, Rabobank International increased its 46 per cent. stake in the Polish Bank BGZ to a majority interest of 59 per cent.

In addition, Rabobank International has interests in private equity. Under the Rabo Capital label, Rabobank Group's investment unit, Rabo Private Equity, focuses on medium-sized Dutch enterprises. Its Rabo Ventures label focuses on new enterprises in the clean technology sector. Rabobank also participates in independent private equity enterprises such as Langholm and a number of Gilde funds.

At 30 June 2010, Rabobank Group's wholesale and international retail banking operations had total assets of € 457.0 billion and a private sector loan portfolio of € 104.8 billion. For the six-month period ended 30 June 2010, Rabobank Group's wholesale and international retail banking operations accounted for 31 per cent., or € 2,025 million, of Rabobank Group's total income and 45 per cent., or € 750 million, of Rabobank Group's net profit. At 30 June 2010, Rabobank Group's wholesale and international retail banking operations had 14,517 full-time employees.

#### ***Asset management and investment***

Rabobank Group's asset management business is handled by Robeco Group N.V. ("**Robeco**"), an asset manager with global operations, as well as by the Swiss private bank Bank Sarasin & Cie S.A. ("**Sarasin**") and by Schretlen & Co N.V. ("**Schretlen & Co**"), the Dutch private bank. Rabobank Group has a 46 per cent. stake in Sarasin and a voting share of 69 per cent.

At 30 June 2010, the assets under management and held in custody for clients of Rabobank Group's asset management and investment operations amounted to € 250.1 billion. For the six-month period ended 30 June 2010, Rabobank Group's asset management and investment operations accounted for 7 per cent., or € 473 million, of Rabobank Group's total income and 0.1 per cent., or € 1 million, of Rabobank Group's net profit. At 30 June 2010, Rabobank Group's asset management and investment operations had 3,228 full-time employees.

#### ***Robeco Groep N.V.***

Robeco was founded in Rotterdam in 1929. It provides investment products and services to both institutional and private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-

income investments and money market funds and alternative investments funds. In addition to its offices in the Netherlands, Robeco has branches in Europe, the United States, Asia and the Middle East.

Rabobank Nederland owns a 100 per cent. equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to € 4,537,803 (4,537,803 shares with a nominal value of € 1 each) at 31 December 2009.

For the year ended 31 December 2009, Robeco's net loss was € 9 million, corresponding to a loss of € 2.03 per share. At 31 December 2009, Rabobank Nederland's liabilities to Robeco amounted to € 273 million (bonds), € 819 million (current accounts), € 11 million (professional securities transactions), € 96 million (loans and deposits) and € 10 million (derivatives). At 31 December 2009 Rabobank Nederland's claims on Robeco amounted to € 237 million (loans), € 244 million (current accounts), € 34 million (professional securities transactions) and € 296 million (derivatives).

At 30 June 2010, Robeco managed € 141.3 billion in assets.

#### *Bank Sarasin & Cie S.A.*

Founded in 1841, the Sarasin Group is one of Switzerland's leading private banks. Rabobank Group has a 46 per cent. shareholding in Sarasin and a voting share of 69 per cent. Sarasin's shares are listed at the Swiss stock exchange SWX. The Sarasin Group prioritises sustainability. The Sarasin Group offers a high level of services and expertise as an investment adviser and asset manager for high net-worth private individuals and institutional clients. Internationally, the Sarasin Group operates in 14 countries in Europe, the Middle East and Asia. Rabobank clients have access to Sarasin's investment funds through the local Rabobanks.

At 30 June 2010, Sarasin managed € 72.4 billion in assets.

#### *Schretlen & Co N.V.*

Schretlen & Co is the asset management specialist within Rabobank Group. The business is focused primarily on high net-worth individuals and medium-sized institutional investors in the Netherlands. Its core activities comprise asset management and advice, combined with estate planning. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Rabobank Nederland owns a 100 per cent. equity interest in Schretlen & Co.

At 30 June 2010, Schretlen & Co managed € 7.9 billion in assets.

#### *Leasing, De Lage Landen International B.V.*

De Lage Landen International B.V. ("**De Lage Landen**") is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in more than 30 countries. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Landen strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand.

Rabobank Nederland owns a 100 per cent. equity interest in De Lage Landen. De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to € 98,470,307 all of which is owned by Rabobank Nederland. At 31 December 2009, Rabobank Nederland's liabilities to De Lage Landen amounted to € 1,076 million. At 31 December 2009 Rabobank Nederland's claims on De Lage Landen amounted to € 21,620 million (loans, current accounts, financial assets and derivatives). All liabilities of De Lage Landen are guaranteed (through the cross-guarantee system) by Rabobank Nederland and the other participants of this system.

At 30 June 2010, De Lage Landen had a loan portfolio of € 25.6 billion. For the six-month period ended 30 June 2010, De Lage Landen accounted for 9 per cent., or € 570 million, of Rabobank Group's total income and 6 per cent., or € 101 million, of Rabobank Group's net profit. At 30 June 2010, Rabobank Group's Leasing operations employed 4,803 full-time employees.

#### ***Real estate, Rabo Vastgoedgroep N.V.***

Rabo Real Estate Group (Rabo Vastgoedgroep N.V. ("**Rabo Vastgoedgroep**")) is a prominent international real estate enterprise. It operates in the private and corporate markets and has three core activities: residential and commercial real estate development, real estate finance and serving real estate investors. Bouwfonds Property Development is responsible for residential development and MAB Development for the development of commercial real estate. Financing commercial real estate is done by FGH Bank. Bouwfonds REIM is responsible for real estate related investments. In addition to these three core activities, Rabo Vastgoedgroep contributes to social real estate development and financing through Fondsenbeheer Nederland.

For the six months ended 30 June 2010, the Rabo Real Estate Group sold 3,280 houses and managed € 7.2 billion of real estate assets and its loan portfolio amounted to € 17.5 billion. For the six-month period ended 30 June 2010, the Real Estate operations accounted for 4 per cent., or € 253 million, of Rabobank Group's total income and 5 per cent., or € 79 million, of Rabobank Group's net profit. At 30 June 2010, Rabobank Group's Real Estate operations had 1,541 full-time employees.

### **Participations**

#### ***Eureko B.V.***

Rabobank has a 39 per cent. interest in Eureko B.V. ("**Eureko**"). Rabobank does not exercise control over Eureko and therefore does not consolidate Eureko as a subsidiary in Rabobank's financial statements. Eureko is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. With a workforce of approximately 23,500 full-time equivalents, Eureko is the market leader in the area of insurance in the Netherlands (source: *Eureko Annual Report 2009*), where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Eureko occupies a relatively minor position outside the Netherlands, operating in ten other European countries. Rabobank and Eureko work closely together in the area of insurance. Achmea, which is part of Eureko, operates in the Dutch domestic market with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekeringen and Zilveren Kruis Achmea. Interpolis is the prime supplier of insurance products to clients of the local Rabobanks, offering a broad range of non-life, health and life insurance policies for both private individuals and enterprises. Serving over a million private individuals and several hundreds of thousands of enterprises, Interpolis is one of the major players in the Dutch insurance market and the market leader in the agricultural sector (source: *www.interpolis.nl*).

### **Recent developments**

#### ***Butte Community Bank and Pacific State Bank***

On 21 August 2010, Rabobank, N.A. (California) announced it had acquired all deposits and certain assets and liabilities of the Californian Butte Community Bank and Pacific State Bank from the Federal Deposit Insurance Corporation (FDIC). The addition of these banking activities creates a 120-branch retail banking franchise which extends from the Imperial Valley up through the Central Valley and throughout the Central Coast. Butte Community Bank was a USD 499 million community bank based in Chico with 14 branches concentrated in Butte County and the surrounding counties. Established in 1990, the bank offered insurance, investment services and payroll services along with traditional banking products. Pacific State Bank was a USD 312 million community bank based in Stockton with 9 branches, primarily in San Joaquin County and



the Sierra foothills, with an additional branch in the Bay area. Pacific State Bank was founded in 1987 to serve the local business community.

### ***Yes Bank***

On 22 June 2010, Rabobank successfully placed 37.3 million shares of the Indian Yes Bank with a diversified group of investors, thereby reducing its stake in Yes Bank from around 15.9 per cent. to 4.9 per cent. Rabobank, as a part of its overall business plan for India, is obliged under the regulations to reduce its shareholding in Yes Bank pending approval of its application for a full banking licence in India.

### ***Banco Cooperativo Sicredi***

After signing a memorandum of understanding in 2009, Rabobank Group obtained a 30 per cent. stake in Banco Cooperativo Sicredi S.A., the central organisation of the 128 Sicredi credit cooperatives in Brazil, in June 2010. The agreement between the Rabobank Group and Sicredi is based on the joint cooperative background and their widely spread branch network in the inland parts of Brazil. The investment is subject to approval of the Brazilian Central Bank.

### ***Issue of Senior Contingent Notes***

On 19 March 2010, Rabobank Nederland issued € 1,250,000,000 6.875 per cent. Senior Contingent Notes due 2020 (the “**Senior Contingent Notes**”). Subject to the terms and conditions and in accordance with the procedures as set out in the prospectus dated 17 March 2010, the principal amount of the Senior Contingent Notes may automatically and permanently be reduced to 25 per cent. of their original principal amount and redeemed at a redemption price of 25 per cent. of their original principal amount together with accrued interest, in case the Equity Capital Ratio of Rabobank Group (as defined in the aforementioned prospectus) is and remains (for a certain period of time as set out in the aforementioned prospectus) less than 7 per cent.

### ***Issue of Rabo Extra Member Bonds***

On 29 January 2010, Rabobank Nederland issued € 900 million Rabo Extra Member Bonds (*Rabo Extra Ledenobligaties*) due 30 December 2013. At the sole and absolute discretion of Rabobank Nederland, 25 per cent. of the initial nominal value of € 100 per Rabo Extra Member Bond (€ 25) may be exchanged into one Rabobank Member Certificate (*Rabobank Ledencertificaat*) on 30 December in each year, commencing on 30 December 2010 and ending on 30 December 2013.

### ***Ratings***

On 22 October 2009, Moody’s affirmed Rabobank’s long-term deposit and senior unsecured Aaa ratings. Moody’s revised its outlook on these ratings from stable to negative. On 8 December 2009, Standard & Poor’s affirmed Rabobank’s long-term deposit and senior unsecured AAA ratings. Standard & Poor’s revised its outlook on these ratings from stable to negative.

## **Strategy of Rabobank Group**

Rabobank’s strategic objectives are set out in its Strategic Framework 2005-2010, which it has been implementing since its introduction. Following changes in the Dutch banking market that took place in 2008, and the turbulent developments in the international financial markets, Rabobank Group has been considering adjustments to the framework. Accordingly, at the end of 2008, Rabobank Group began formulating adjustment proposals for a revised Strategic Framework covering the period 2009-2012. Under these proposals, the principles of the framework were refocused and reprioritised in several areas. Rabobank approved the new Strategic Framework on 18 March 2009 in its Central Delegates Assembly.

The credit crisis has had a significant impact on the environment within which Rabobank carries on its banking operations. Confidence in the financial sector has been adversely affected. In the Netherlands, the

banking landscape has changed dramatically and the economic outlook has deteriorated. Moreover, banks are facing stricter regulation in the areas of solvency and liquidity, making it harder for them to increase lending. Limitations on growth opportunities have resulted in a greater focus on core activities at Rabobank Group.

### ***Strategy principles***

As a cooperative, Rabobank prioritises clients' interests, and Rabobank's structure and processes are focused accordingly. Through their influence and control, members enforce discipline on the cooperative.

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Rabobank believes that the diversification within the group benefits its financial stability, and that Rabobank Group's broad range of knowledge and expertise results in innovation and synergies within Rabobank. Market leadership remains important to Rabobank Group, but Rabobank believes this must be balanced with prudent margins and Rabobank Group's cooperative mandate.

International growth is necessary because opportunities for growth in the domestic market are set to gradually level out. Moreover, Rabobank believes food and agri is an attractive niche because of its global knowledge of food and agri, which it attributes to its connection with the agricultural and horticultural sectors of the Dutch market. Rabobank International also intends to expand its activities in sustainable energy and clean technology.

Under the present economic conditions, Rabobank believes a high credit rating is important and that a healthy balance sheet, stable profit growth and a high Tier 1 ratio are prerequisites for a high credit rating.

In addition, the Corporate Social Responsibility ("CSR") policy within Rabobank Group, including its core banking processes, must meet high standards.

### ***Strategy adjustment***

Under the revised Strategic Framework, Rabobank is putting greater emphasis on sound balance sheet ratios. Growth in lending largely depends on growth in amounts due to customers and, as a result, Rabobank believes that both the local Rabobanks and Rabobank International should provide for a significant part of their own funding. Expansion of the activities of subsidiaries will be aligned with the volume of funding available at Rabobank Group level.

In the Netherlands, Rabobank aims to be the largest bank for corporate enterprises. A stronger position in the corporate market offers private banks additional opportunities to the "private entrepreneur" as well. Rabobank also seeks further growth in the private-banking segment through differentiated customer service, collaboration with subsidiaries and improved quality of advice.

Rabobank aims to develop further as a cooperative. The revised Strategic Framework will enable local Rabobanks to respond to changing client priorities. At the same time, the programme introduces an optimised servicing model and produces cost reductions from standardisation. In order to maintain their market leadership, the local Rabobanks must operate at competitive rates.

Rabobank International will focus more on Rabobank Group's core activities. In the Netherlands, this means supporting Rabobank Group's aim to be the largest corporate bank in the Netherlands. Outside the Netherlands, Rabobank International intends to focus more on food and agri. In addition, Rabobank International plans to expand its activities in the areas of sustainable energy and clean technology. Global Financial Markets will confine itself to client-related activities and liquidity management; other activities will be phased out. In the Netherlands, Rabo Development intends to gradually increase the number of minority interests in partner banks having a food and agri focus in developing countries. Abroad, the Rabobank Foundation will focus on countries where Rabobank International and/or Rabo Development operate.

Rabobank Group's subsidiaries will similarly focus more on supporting the realisation of Rabobank Group's core objectives: market leadership in all-finance services in the Netherlands and building up a distinct position as the world's pre-eminent food and agri bank. Other important main functions of the subsidiaries and participations will continue to be leveraging of specialisations and achieving sound financial returns.

### ***Strategic core objectives***

Rabobank Group's strategic core objectives are:

- to achieve all-finance market leadership in the Netherlands;
- to strengthen Rabobank's position as the leading international food and agri bank; and
- to expand, and develop additional synergies with, Rabobank Group subsidiaries.

### ***Strategy for domestic retail banking***

Rabobank Group aims to be the market leader in all-finance in the Netherlands. The local Rabobanks and Obvion's mortgage sales are important components in this strategy. In its strategy update, Rabobank indicated that it aims to be the largest corporate bank in the Netherlands. In order to achieve this, Rabobank must improve on its current market position, particularly at the high end of the market. Rabobank also aims to expand in the private banking market. As a result of the increased focus on strong balance sheet ratios, the local Rabobanks intend to finance a large proportion of their increased lending from growth in amounts due to customers. The implementation of the Rabobank 2010 programme for the local Rabobanks is another important element in the revised Strategic Framework.

### ***Strategy for wholesale banking and international retail banking***

In accordance with Rabobank Group's strategy, Rabobank International focuses on the food and agri sector and aims to expand its global network for both its wholesale and retail rural banking activities in major agricultural markets. By providing international operations to both the high end of the corporate market and to retail clients in the Netherlands, Rabobank International's strategy contributes to Rabobank Group's strengthening of its all-finance position. The food and agri product range will be improved and enlarged through collaboration with Rothschild Investment Banking. The international retail banking business continues to grow, particularly in the core markets of Australia, New Zealand, the United States, Brazil and Poland. Following an adjustment in Rabobank International's business model for Global Financial Markets, Rabobank International will focus more on its core clients while reducing the number of complex products. Products relating to sustainable energy and clean technology will be developed further.

### ***Strategy for asset management and investment***

The asset manager Robeco and the private banks Sarasin and Schretlen & Co offer high-quality services to different types of investors. The range of innovative products and services offered will be expanded. Both the distribution network and the institutional sales and asset management activities will be expanded on a selective basis. At the same time, Rabobank Group aims to strengthen its position in the market for high net-worth individuals and institutional investors and consolidate its positions in the Netherlands and abroad.

### ***Strategy for leasing***

De Lage Landen provides a wide range of lease and factoring products to Rabobank clients and contributes to the strengthening of Rabobank Group's position in the Dutch market for consumer loans. On a global scale, De Lage Landen offers finance solutions for producers and distributors of capital assets.

### ***Strategy for real estate***

Rabo Vastgoedgroep is the largest integrated real estate enterprise in the Netherlands (measured by Rabobank's own surveys). One of its objectives is to be the most sustainable real estate enterprise in the

Netherlands. Rabo Real Estate Group aims to help clients achieve their ambitions in terms of housing, working, shopping, leisure and investing in pleasant and sustainable surroundings. It aims to retain, strengthen and where possible expand its strong market positions in the Netherlands. Internationally, Rabo Real Estate Group anticipates controlled growth of its activities, particularly in Germany and France.

### **Corporate social responsibility**

One of the cornerstones of the Strategic Framework is a high-quality policy for corporate social responsibility. Within this scope, Rabobank continued to develop its CSR policy and activities in 2009 and in the first half of 2010.

### **Employees**

Rabobank Group needs the right people to achieve its strategic goals. Rabobank invests in its employees, not just in terms of their conditions of employment, but also by providing training, opportunities for growth and healthcare, and helping employees achieve a good work/life balance. Rabobank Group's workforce is ageing, and in a changing and innovative environment such as Rabobank's, it is vital that its employees are versatile and have the relevant skills. Rabobank also prioritises talent development, diversity and raising awareness of CSR among its employees.

For the year ended 31 December 2009, the rate of absenteeism was 3.7 per cent. and Rabobank's employee satisfaction score was 88 per cent. according to internal surveys. At 30 June 2010, Rabobank Group employed 58,419 full-time employees.

### **Competition**

Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has significantly increased competition among banks in the Netherlands. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and savings deposits. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. In 2009, DSB Bank, a Dutch competitor of Rabobank, collapsed. These developments may affect the competitive environment in which Rabobank Group operates in the Netherlands and Rabobank expects competition in the Dutch savings market to continue in the second half of 2010 and in 2011.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 61 per cent. Historically, mortgage lending in the Netherlands has been relatively low-risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage-lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

## **Market shares in the Netherlands**

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

*Residential mortgages:* For the six-month period ended 30 June 2010, Rabobank Group had a market share of approximately 30.6 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (26.9 per cent. by local Rabobanks and 3.7 per cent. by Obvion; source: Dutch Land Registry Office (*Kadaster*)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

*Saving deposits of individuals:* At 31 May 2010, Rabobank Group had a market share of approximately 39.3 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits. Of the total saving deposits in the Netherlands, 37.8 per cent. are held by the local Rabobanks and 1.5 per cent. are held by Robeco Direct's savings bank Roparco.

*Lending to small and medium-sized enterprises:* At 30 June 2010, Rabobank Group had a market share of approximately 41 per cent. of domestic loans to the trade, industry and services sector (i.e. small enterprises with fewer than 100 employees (measured by Rabobank's own surveys)).

*Agricultural loans:* At 31 December 2009, Rabobank Group had a market share of approximately 84 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (measured by Rabobank's own surveys).

## **Properties**

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank believes that Rabobank Group's facilities are adequate for its present needs in all material respects.

## **Insurance**

On behalf of all entities of Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Rabobank is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

## **Legal proceedings**

Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against Rabobank Group which arise in the ordinary course of its business, including in connection with Rabobank Group's activities as an insurer, lender, employer, investor and taxpayer during a period covering at least the previous 12 months. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation, Rabobank believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any threatened proceedings and litigation, will not have a material adverse or significant effect on Rabobank Group's financial position or profitability, given its size, robust balance sheet, stable income stream and prudent provisioning policy.

## RABOBANK GROUP STRUCTURE

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, asset management, leasing and real estate services. Its focus is on all-finance services in the Netherlands and on food and agri business internationally. Rabobank Group comprises independent local Rabobanks plus Rabobank Nederland, their umbrella organisation, and a number of specialist subsidiaries. Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad.

The umbrella organisation of Rabobank Group, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands and was incorporated with unlimited duration on 22 December 1970. A cooperative under the laws of the Netherlands has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland was registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands in December 1970 under number 30046259. The executive offices are located at Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000.

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares. As of 1 July 2010, as approved by the General Meeting on 17 June 2010, the total number of outstanding shares of Rabobank has been increased from 4,001,200 to 6,001,800 shares of € 1,000 each, thus increasing the share capital of Rabobank Nederland from € 4,001 million to € 6,002 million. On the basis of a prescribed allocation formula, taking into account the total balance sheet position, Tier 1 capital and commercial profits of each local Rabobank, these shares were distributed to the members. For the year ended 31 December 2009, a dividend of € 342 million, as approved by the General Meeting, was distributed to the local Rabobanks and for the year ended 31 December 2010, a dividend of € 438 million will be distributed to the local Rabobanks. At Rabobank Group level, this increase in share capital and distribution of dividend has no impact on equity.

As members of Rabobank Nederland, the local Rabobanks have certain ownership rights with respect to Rabobank Nederland. However, their position with respect to ownership cannot be compared to the position of shareholders in a corporation. Pursuant to Rabobank Nederland's articles of association, if, in the event of Rabobank Nederland's liquidation, whether by court order or otherwise, its assets should prove to be insufficient to meet its liabilities, the local Rabobanks, as members of Rabobank Nederland at the time of the liquidation as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it should prove impossible to recover the share of one or more liable members or former members in the shortfall, the remaining liable parties shall be liable in the same proportion for the amount not recovered. Under the articles of association of Rabobank Nederland, the total amount for which members or former members are liable shall never exceed 3 per cent. of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the cross-guarantee system and their liability under the compensation agreements (as described below).

Rabobank Nederland's functions within Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into of collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the local Rabobanks, and is the holding company of various subsidiaries.

Through mergers, the number of local Rabobanks has decreased from 174 at 31 December 2007, to 153 at 31 December 2008, to 147 at 31 December 2009 and to 143 at 30 June 2010. The local Rabobanks are organised as cooperative entities under the laws of the Netherlands and draw all of their members from their customers. At 30 June 2010, the local Rabobanks had approximately 1,784,000 members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

For regulatory and financial reporting purposes, Rabobank Nederland and the local Rabobanks, as well as the participating subsidiaries, are treated as one consolidated entity.

## **Relationship between Rabobank Nederland and the local Rabobanks**

### ***The Rabobank Nederland cooperative and its members***

Rabobank Nederland was established to support the local Rabobanks' banking business and to act as their bankers' bank. In addition, Rabobank Nederland acts as supervisor of the local Rabobanks, partly on behalf of the Dutch supervisory authorities. Only banks that have a cooperative structure and whose articles of association have been approved by Rabobank Nederland can be members of Rabobank Nederland. The local Rabobanks also hold shares in the capital of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other that are reflected in the governance structure.

### ***Supervision of local Rabobanks***

Pursuant to the prudential supervision part of the Financial Supervision Act and under Rabobank Nederland's articles of association and the articles of association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on the control over and the integrity of their operations, sourcing, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act, Rabobank Nederland has been appointed by the Dutch Ministry of Finance as the holder of a collective licence that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

### ***Internal liability (cross-guarantee system)***

Rabobank Group consists of the local Rabobanks, their central organisation Rabobank Nederland and its subsidiaries and other affiliated entities. Through their mutual financial association, various legal entities within Rabobank Group together make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Article 3:111 of the Financial Supervision Act. This relationship is formalised in an internal cross-guarantee system (*kruislingse garantieregeling*), which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfil those obligations. Within Rabobank Group the participating entities are:

Rabobank Nederland  
Local Rabobanks  
Rabohypotheekbank N.V.  
Raiffeisenhypotheekbank N.V.  
De Lage Landen Financial Services B.V.  
De Lage Landen Financiering B.V.  
De Lage Landen International B.V.  
De Lage Landen Trade Finance B.V.  
Schretlen & Co N.V.

The local Rabobanks are also parties to several compensation agreements whereby shortfalls of local Rabobanks with respect to equity, profitability, loan loss reserves and financing losses are financed by charging all other local Rabobanks.

#### *403 Declaration*

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of Rabobank Group companies under Section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*).

In addition, Rabobank Nederland provides (bank) guarantees in its ordinary course of business.

#### ***Rabobank Nederland's activities***

##### *Capital adequacy and liquidity*

The cross-guarantee system operates in concert with the regulatory and administrative supervision of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on a consolidated basis, based on Article 3:111 of the Financial Supervision Act, Rabobank Nederland has responsibility for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by the issue of shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such local Rabobank's authority to make lending decisions within Rabobank Group's lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks.

##### *Supervision on market conduct*

Pursuant to Section 2:105 of the Financial Supervision Act, Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, the supervision by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with the financial statements and the notes thereto of Rabobank Group included in this Offering Circular. As of 2005, the financial statements have been prepared in accordance with IFRS as adopted by the European Union. The financial data in the (sub) paragraphs in this chapter marked with an asterisk (\*) have not been directly extracted from the audited financial statements but instead is unaudited and derived from the accounting records of Rabobank Nederland, unless otherwise stated.*

### **Business overview\***

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 30 June 2010, it comprised 143 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At 30 June 2010, Rabobank Group had total assets of € 675.8 billion and 54,419 full-time employees.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier 1 capital, Rabobank Group is among the world's 25 largest financial institutions (source: *The Banker*).

Rabobank Nederland, the local Rabobanks and certain subsidiaries in Rabobank Group are linked through a "cross-guarantee system". The cross-guarantee system provides for intra-group credit support among Rabobank Nederland, all local Rabobanks and certain of Rabobank Group's subsidiaries that are the other participating institutions. Under the cross-guarantee system, funds are made available by each participating institution if another participant suffers a shortfall in its funds. If a participating institution is liquidated and has insufficient assets to cover its liabilities, the other participating institutions are liable for its debts. For more details, see "*Rabobank Group Structure – Internal liability (cross-guarantee system)*".

The independent local Rabobanks make up Rabobank Group's cooperative core business. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 950 branches and 2,986 cash-dispensing machines at 30 June 2010, the local Rabobanks form a dense banking network in the Netherlands. The website [www.rabobank.nl](http://www.rabobank.nl) serves over three million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients and approximately 800,000 corporate clients, both private and corporate, offering a comprehensive package of financial services.

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

## **Factors affecting results of operations**

### ***General market conditions\****

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and increased competition. The moderate economic recovery in the second half of 2010 is expected to lead to a small increase in activity levels among our clients, as a result of which growth in lending will remain limited. Rabobank expects that while bad debt costs will still exceed the long-term average, they will be down on 2009. For the second half of 2010, Rabobank expects to be able to bring about further improvements in its capital position and to keep its liquidity position at the same robust level as it is now.

In 2009, 57 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, are impacted by business cycles only in a limited way.

Although Rabobank Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material negative impact on its results of operations. See "*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme – Business and general economic conditions*".

### ***Stock market fluctuations***

Since the outbreak of the financial crisis in the second half of 2007, equity markets have been adversely affected. Stock prices dropped significantly in 2008 and in the first quarter of 2009. As share prices improved from the second quarter of 2009, global stock markets made a partial recovery from 2008. Uncertainty among investors and market volatility remain high. A further decline in the stock markets could adversely affect Rabobank Group's results of operations and its financial assets.

### ***Interest rates***

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, the relatively low interest rate environment in the Netherlands and Rabobank Group's other major markets has driven growth in mortgage volumes, which is positive. However, a low interest rate environment also adversely affected Rabobank Group's results as, due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest-bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Rabobank expects that the current low interest rate environment is likely to continue in the second half of 2010 and in 2011, with a corresponding impact on Rabobank Group's results.

As discussed under "*Risk Management - Interest rate risk*", Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

### ***Critical accounting policies***

The accounting policies that are most critical to Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Rabobank to make complex judgements based on information and financial data that may change in future periods, the results of which could have a significant effect on Rabobank Group's results of operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgements as to future events and are subject to change. Different assumptions or judgements could lead to materially different results. See the footnotes to the audited consolidated financial statements elsewhere in this Offering Circular for additional discussion of the application of Rabobank Group's accounting policies.

### ***Value adjustments***

Rabobank regularly assesses the adequacy of the provision for loan losses by performing ongoing evaluations of the loan portfolio. Rabobank's policies and procedures to measure impairment are IFRS-compliant. Rabobank considers a loan to be impaired when based on current information and events, it is probable that Rabobank will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

Rabobank distinguishes:

- Specific provisions for impaired corporate loans. For these loans, impairment is measured on a case-by-case basis. Once a loan is identified as impaired, the impairment amount is measured as the difference between the carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.
- Collective retail provisions for loans that are not significant enough to be assessed individually. Retail portfolios of loans that are not individually assessed for impairment are grouped into pools, based on similar risk characteristics, and are collectively assessed for impairment.
- An Incurred But Not Reported provision for losses on loans that have been incurred but have not yet been individually identified at the balance sheet date. Non-impaired loans are included in groups with similar risk characteristics and are collectively assessed for the potential losses, based on expected loss parameters. Furthermore, factors are used which assume that within six months impairment will be discovered.

The impairment amount thus determined is recorded in the profit and loss account as a bad debt cost with the corresponding credit posted as a provision against the loan balance in the balance sheet.

The Provisioning Committee headed by the CFO decides twice a year on provision-taking for all impaired loans above a certain threshold (currently over € 30 million).

### ***Trading activities***

Rabobank's trading portfolio is carried at fair value based on market prices or model prices if the market prices are not available. The market value of financial instruments in Rabobank Group's trading portfolio is generally based on listed market prices or broker-dealer price quotations. If prices are not readily determinable, fair value is based on valuation models. The fair value of certain financial instruments, including OTC derivative instruments, are valued using valuation models that consider, among other factors, contractual and market prices, correlations, time value, credit, yield curve volatility factors and/or prepayment rates of the underlying positions.

### ***Change in accounting policies***

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group at and for the years ended 31 December 2008 and 31 December 2007 in this Offering Circular have been restated. See “*Important Information*” and Note 2 to the consolidated financial statements for Rabobank Group for the year ended 31 December 2009 and for the year ended 31 December 2008. Where the year ended 31 December 2009 is compared with the year ended 31 December 2008, the restated figures for 2008 are discussed. Only the restated figures for 2007 are presented in this Offering Circular.

### **Results of operations**

The following table sets forth certain summarised financial information for Rabobank Group for the years indicated:

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Interest.....	8,046	8,517	6,771
Fees and commission .....	2,575	2,889	2,857
Other income.....	1,246	246	1,394
<b>Total income</b> .....	<b>11,867</b>	<b>11,652</b>	<b>11,022</b>
Staff costs.....	3,869	4,290	4,400
Other administrative expenses .....	2,908	2,796	2,779
Depreciation.....	527	525	484
<b>Operating expenses</b> .....	<b>7,304</b>	<b>7,611</b>	<b>7,663</b>
<b>Gross profit</b> .....	<b>4,563</b>	<b>4,041</b>	<b>3,359</b>
Value adjustments .....	1,959	1,189	266
<b>Operating profit before taxation</b> .....	<b>2,604</b>	<b>2,852</b>	<b>3,093</b>
Taxation.....	316	98	397
<b>Net profit</b> .....	<b>2,288</b>	<b>2,754</b>	<b>2,696</b>

### ***Year ended 31 December 2009 compared to year ended 31 December 2008***

*Total income.* Rabobank Group’s total income increased by 2 per cent. to € 11,867 million in 2009 compared to € 11,652 million in 2008, due to an increase in other income.

*Interest.* The local Rabobanks and Robeco Direct saw a decrease in their savings margins due to strong competition in the savings market. This had a significant impact on interest income, which fell by 6 per cent. to € 8,046 million in 2009 compared to € 8,517 million in 2008. However, a recovery of the margins on new mortgage loans, business loans, lease transactions and property loans had a positive effect on interest income.

*Fees and commission.* The local Rabobanks experienced a decline in commissions from treasury services. At Group level, this was a factor in the 11 per cent. drop in commission income to € 2,575 million in 2009 compared to € 2,889 million in 2008.

*Other income.* Other income increased by € 1,000 million in 2009 to € 1,246 million compared to € 246 million in 2008 which was related to rising trading income in the wholesale banking division, the repurchase of debt securities and improved financial performance by Eureko, an associate. The settlement between Eureko and the Polish government in the matter of Polish insurer PZU, in which Eureko has an equity interest, had a positive impact on earnings.

*Operating expenses.* Cost cuts were achieved throughout Rabobank Group. Total operating expenses decreased by 4 per cent. in 2009, falling to € 7,304 million compared to € 7,611 million in 2008. Staff costs accounted for 53 per cent. of total operating expenses.

*Staff costs.* The decrease in clients' activity levels led to an outflow of staff at virtually all Group entities, particularly in the second half of the year. This resulted in a reduction in employee headcount by 2 per cent. to 59,311 (2008: 60,568) full-time employees at group level. Staff costs fell by 10 per cent. to € 3,869 million compared to € 4,290 million in 2008 as a result of internal staff cuts as well as a sharp reduction in the costs of contract staff and a decrease in pension costs.

*Other administrative expenses.* Other administrative expenses increased by 4 per cent. to € 2,908 million compared to € 2,796 million in 2008 due, in particular, to the provision of € 200 million that was formed for the collapse of DSB Bank. This provision was formed within the scope of the deposit guarantee scheme.

*Depreciation.* Depreciation was almost stable at € 527 million compared to € 525 million in 2008.

*Value adjustments.* Value adjustments increased at Group level due to the poor economic conditions, which particularly affected the local Rabobanks, but also Rabobank International and De Lage Landen. The "value adjustments" item rose by € 770 million to € 1,959 million in 2009 compared to € 1,189 million in 2008. This corresponds with 48 (2008: 31) basis points of the average loan portfolio volume, which is above the 10-year average of 21 basis points (based on the period 1999 to 2008).

*Taxation.* The recognised tax expense in 2009 amounted to € 316 million compared to € 98 million in 2008. This corresponds with an effective tax rate of 12.1 per cent. (2008: 3.4 per cent.). The tax-exempt share of profit of associates, including the equity interest in Eureko, is a factor in the lower tax rate.

*Net profit.* Rabobank Group's net profit decreased by 17 per cent. in 2009 to € 2,288 million compared to € 2,754 million in 2008. Net of non-controlling interests, payments on Rabobank Member Certificates and hybrid capital instruments, the amount remaining was € 1,475 million compared to € 2,089 million in 2008.

#### ***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income grew by 6 per cent. in 2008 to € 11,652 million compared to € 11,022 million in 2007, with a particularly strong contribution from interest income. Interest income accounted for 73 per cent. of total income in 2008. Other income fell by 82 per cent. to € 246 million (2007: € 1,394 million).

*Interest.* Interest income was 26 per cent. higher in 2008 at € 8,517 million compared to € 6,771 million in 2007. This increase was mainly due to Rabobank International's interest income being higher as a result of growth in lending and higher spreads.

*Fees and commission.* Fees and commission were 1 per cent. higher at € 2,889 million compared to € 2,857 million in 2007.

*Other income.* Other income was 82 per cent. lower at € 246 million compared to € 1,394 million in 2007. The continuing adverse conditions in the financial markets depressed Rabobank International's results. On a net basis, the fair value changes of assets and liabilities had a limited impact on earnings. Rabo Real Estate Group's project results were also lower. Income from the Eureko participation was negative. The sale of Alex

and the consolidation of Bank BGZ made positive contributions to earnings. In 2007, other income benefited from revenues from the sale of activities at Sarasin.

*Operating expenses.* Total operating expenses decreased by 1 per cent. in 2008 to € 7,611 million compared to € 7,663 million in 2007. Staff costs accounted for 56 per cent. of total operating expenses.

*Staff costs.* Partly as a result of a reduction of bonuses, staff costs were 3 per cent. lower at € 4,290 million compared to € 4,400 million in 2007. From 2008, Bank BGZ employees are included in Rabobank Group's staff count. As a result, staff numbers at Rabobank Group increased by 11 per cent. to 60,568 (2007: 54,737) full-time employees. Staff numbers at the local Rabobanks and Robeco declined.

*Other administrative expenses.* Other administrative expenses were 1 per cent. higher at € 2,796 million compared to € 2,779 million in 2007.

*Depreciation.* Depreciation charges were 8 per cent. higher at € 525 million compared to € 484 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

*Value adjustments.* Mainly as a result of the increase in the item "value adjustments" at Rabobank International, this item rose to € 1,189 million compared to € 266 million in 2007. This corresponds to 31 basis points of average lending and is higher than the 10-year average of 21 basis points (based on the period 1998 to 2007).

*Taxation.* Income tax recognised in 2008 amounted to € 98 million compared to € 397 million in 2007, which is equivalent to an effective tax rate of 3.4 per cent. (2007: 12.8 per cent.). The results from equity investments such as those in the Gilde funds and the equity investments in Rabo Private Equity, which are exempt from taxation, contributed to the lower effective tax rate.

*Net profit.* Rabobank Group's net profit grew by 2 per cent. in 2008 to € 2,754 million compared to € 2,696 million in 2007. After deduction for minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the amount remaining was € 2,089 million compared to € 1,971 million in 2007.

## Segment discussion\*

### *Domestic retail banking*

The following table sets forth certain summarised financial information for Rabobank Group's domestic retail banking business for the years indicated:

	Year ended 31 December			
	2009	2008 (restated)	2008	2007
<i>(in millions of euro)</i>				
Interest .....	4,360	4,758	5,005	4,504
Fees and commission .....	1,261	1,354	1,354	1,379
Other income .....	505	42	42	25
<b>Total income</b> .....	<b>6,126</b>	<b>6,154</b>	<b>6,401</b>	<b>5,908</b>
Staff costs .....	2,196	2,264	2,264	2,072
Other administrative expenses .....	1,569	1,639	1,639	1,618

**Year ended 31 December**

	<b>2009</b>	<b>2008 (restated)</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>				
Depreciation .....	133	141	141	145
<b>Operating expenses</b> .....	<b>3,898</b>	<b>4,044</b>	<b>4,044</b>	<b>3,835</b>
<b>Gross profit</b> .....	<b>2,228</b>	<b>2,110</b>	<b>2,357</b>	<b>2,073</b>
Value adjustments.....	721	199	199	145
<b>Operating profit before taxation</b> .....	<b>1,507</b>	<b>1,911</b>	<b>2,158</b>	<b>1,928</b>
Taxation.....	294	478	541	495
<b>Net profit</b> .....	<b>1,213</b>	<b>1,433</b>	<b>1,617</b>	<b>1,433</b>

***Year ended 31 December 2009 compared to year ended 31 December 2008***

*Total income.* The domestic retail banking division recorded total income of € 6,126 million in 2009 compared to € 6,154 million in 2008.

*Interest.* Strong competition in the savings market led to a decline in the savings margin at the local Rabobanks. Margins on new mortgages and business loans increased. On balance, interest income fell by 8 per cent. to € 4,360 million in 2009 compared to € 4,758 million in 2008.

*Fees and commission.* The decrease in commissions on treasury services and lower growth in lending were factors in the 7 per cent. decrease in commissions to € 1,261 million in 2009 compared to € 1,354 million in 2008.

*Other income.* Other income rose by € 463 million to € 505 million in 2009 compared to € 42 million in 2008 due to the repurchase of debt securities and dividend income received from Rabobank Nederland.

*Operating expenses.* Total operating expenses in domestic retail banking were down by 4 per cent. to € 3,898 million in 2009 compared to € 4,044 million in 2008; expenses fell in the second half of 2009 in particular.

*Staff costs.* Fewer employees were needed, both at the local Rabobanks and Obvion, resulting in a 1 per cent. reduction in the employee base to 28,529 (2008: 28,953) full-time employees. Due in part to this reduction, the lower number of contract staff and the fall in pension costs, staff costs experienced a 3 per cent. decrease to € 2,196 million in 2009 compared to € 2,264 million in 2008.

*Other administrative expenses.* Other administrative expenses decreased 4 per cent. to € 1,569 million in 2009 compared to € 1,639 million in 2008, which was due, in part, to lower advertising and office expenses.

*Depreciation.* Depreciation charges fell by 6 per cent. to € 133 million compared to € 141 million in 2008, partly because of lower depreciation charges on real estate and equipment.

*Value adjustments.* The ongoing challenging economic situation in the Netherlands has a significant impact on many sectors of the Dutch market. Value adjustments in the food and agri sector are concentrated in glass horticulture. Although there were increases, these increases were relatively low compared to value adjustments in the trade, industry and services sector, where virtually every segment was affected, with the inland water transport sector hit in particular. There was a sharp increase in the number of business failures in the Netherlands, and many enterprises experienced pressure on profitability and liquidity. Businesses that face continuity problems receive intensive counselling and, if so warranted based on the long-term outlook, are

given top-up loans to bridge the current period of hardship. Rabobank's credit risk has increased because of the economic conditions, which has resulted in an increase in value adjustments. These were up € 522 million in domestic retail banking, increasing to € 721 million in 2009 compared to € 199 million in 2008. Bad debt costs amounted to 26 (2008: 8) basis points of average lending, which is higher than the 10-year average of 10 basis points (based on the period from 1999 to 2008). Of the loan portfolio, 68 per cent. is comprised of residential mortgages; as in previous years, bad debt costs on this segment of the portfolio were minor at 2 basis points.

*Taxation.* Taxation decreased in 2009 by € 184 million to € 294 million compared to € 478 million in 2008.

*Net profit.* Net profit decreased by 15 per cent. to € 1,213 million in 2009 compared to € 1,433 million in 2008.

### ***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income was 8 per cent. higher at € 6,401 million compared to € 5,908 million in 2007, mainly due to growth in interest income.

*Interest.* The rise in lending and funding through the amounts due to customers resulted in an 11 per cent. increase in interest income to € 5,005 million compared to € 4,504 million in 2007. The spreads on lending were higher because of higher risk costs and higher funding costs, whereas the spreads on amounts due to customers were depressed by stronger competition in the savings market.

*Fees and commission.* Securities commission income was slightly lower, reflecting continued adverse stock market conditions. Insurance commission income was likewise lower than in 2007. Commission income from treasury services and payment services was higher. Total commission income for 2008 showed a net decrease of 2 per cent. to € 1,354 million compared to € 1,379 million in 2007.

*Other income.* Other income increased by € 17 million to € 42 million compared to € 25 million in 2007.

*Operating expenses.* Total operating expenses were 5 per cent. higher in 2008 at € 4,044 million compared to € 3,835 million in 2007.

*Staff costs.* Staff costs were 9 per cent. higher in 2008 at € 2,264 million compared to € 2,072 million in 2007, as a result of higher cost of contractors, salary increases and higher social insurance contributions. Staffing levels in the domestic retail banking business declined by 1 per cent. to 28,953 (2007: 29,304) full-time employees.

*Other administrative expenses.* Other administrative expenses were 1 per cent. higher at € 1,639 million compared to € 1,618 million in 2007.

*Depreciation.* Depreciation decreased by € 4 million to € 141 million compared to € 145 million in 2007, mainly due to lower depreciation on property and equipment.

*Value adjustments.* The item "value adjustments" increased by 37 per cent. in 2008 to € 199 million compared to € 145 million in 2007. Due to the deteriorating economic conditions, loan losses were higher, particularly in the corporate loan portfolio. As a result, the bad debt costs were 8 (2007: 6) basis points of average lending, against the 10-year average of 11 basis points (based on the period from 1998 to 2007).

*Taxation.* Taxation increased in 2008 by € 46 million to € 541 million compared to € 495 million in 2007.

*Net profit.* Net profit increased by 13 per cent. to € 1,617 million compared to € 1,433 million in 2007.



### **Wholesale and international retail banking**

The following table sets forth certain summarised financial information for Rabobank Group's wholesale and international retail banking business for the years indicated:

	Year ended 31 December		
	2009	2008	2007
<i>(in millions of euro)</i>			
Interest.....	2,926	3,156	1,832
Fees and commission .....	488	304	332
Other income.....	133	(1,463)	(175)
<b>Total income</b> .....	<b>3,547</b>	<b>1,997</b>	<b>1,989</b>
Staff costs.....	998	909	890
Other administrative expenses .....	691	715	772
Depreciation.....	94	84	53
<b>Operating expenses</b> .....	<b>1,783</b>	<b>1,708</b>	<b>1,715</b>
<b>Gross profit</b> .....	<b>1,764</b>	<b>289</b>	<b>274</b>
Value adjustments .....	940	786	16
<b>Operating profit before taxation</b> .....	<b>824</b>	<b>(497)</b>	<b>258</b>
Taxation.....	178	(524)	(76)
<b>Net profit</b> .....	<b>646</b>	<b>27</b>	<b>334</b>

### **Year ended 31 December 2009 compared to year ended 31 December 2008**

*Total income.* Income at Global Financial Markets increased in 2009 due to increased client activity in hedging transactions, issue of debt securities and securitisations. Yield curve trends also had an upward effect on income in this division. As a result, wholesale banking had a significant share in the 78 per cent. increase in total income to € 3,547 million in 2009 compared to € 1,997 million in 2008. The poorer conditions in the private equity market resulted in some impairments. Income decreased at Leveraged Finance and Structured Finance as a result of lower activity levels. The corporate banking departments experienced higher income in 2009 than in 2008. Income decreased at ACCBank due to poor conditions in the Irish construction and property development sectors. The non-European retail banks saw an increase in income, allowing income from international retail banking to rise by 3 per cent. to € 893 million in 2009 compared to € 864 million in 2008.

*Interest.* Interest income decreased by 7 per cent. to € 2,926 million in 2009 compared to € 3,156 million in 2008 at Rabobank International due in part to fewer loans being issued.

*Fees and commission.* Due in part to an increase in the number of refinancing and restructuring transactions, commission income at Rabobank International rose by 61 per cent. to € 488 million compared to € 304 million in 2008.

*Other income.* Income at Global Financial Markets increased in 2009 due to increased client activity in hedging transactions, issue of debt securities and securitisations. Yield curve trends also had an upward effect on income in this division. As a result, wholesale banking had a significant share in the rise in other income at

Rabobank International by € 1,596 million to € 133 million in 2009 compared to a loss of € 1,463 million in 2008.

*Operating expenses.* In 2009 operating expenses at Rabobank International experienced a 4 per cent. increase to € 1,783 million in 2009 compared to € 1,708 million in 2008.

*Staff costs.* Staff costs increased by 10 per cent. to € 998 million in 2009 compared to € 909 million in 2008 due to reorganisations and higher pension costs incurred for foreign employees. The employee base decreased by 5 per cent. to 14,534 (2008: 15,223) full-time employees primarily as a result of job cuts at the retail divisions in Australia and New Zealand, at ACCBank, and at Bank BGZ.

*Other administrative expenses.* Lower marketing and travel expenses were factors in the 3 per cent. decrease in other administrative expenses to € 691 million compared to € 715 million in 2008.

*Depreciation.* Depreciation and amortisation charges were up 12 per cent. to € 94 million compared to € 84 million in 2008 because of higher amortisation of software and intangibles.

*Value adjustments.* The economic crisis affected nearly every sector of the market. Some Rabobank International clients experienced financial difficulties as a result, which led to an increase in value adjustments. The Irish real estate sector showed a poor performance for the second year in a row. The provisions that were formed for this portfolio had a significant impact on value adjustments at Rabobank International in 2009 as well. Value adjustments rose by € 154 million in 2009 to € 940 million compared to € 786 million in 2008. This corresponds to 105 (2008: 93) basis points of the average loan portfolio, which is above the 10-year average of 48 basis points (based on the period from 1999 to 2008).

*Taxation.* Taxation was € 178 million in 2009 compared to a negative amount of € 524 million in 2008.

*Net profit.* Net profit increased by € 619 million to € 646 million in 2009 compared to € 27 million in 2008.

#### ***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income was stable in 2008 at € 1,997 million compared to € 1,989 million in 2007. Although some units within Global Financial Markets performed well in the turbulent financial markets, income from this business entity decreased by € 413 million to negative € 145 million compared to € 268 million in 2007. The item “other income”, which largely includes income from Global Financial Markets, fell by € 1,288 million to negative € 1,463 million compared to negative € 175 million in 2007. Structured Finance saw a 37 per cent. rise in income. Commission income was 8 per cent. lower at € 304 million compared to € 332 million in 2007, partly as a result of lower commission income from securities brokerage.

Income from Corporate Banking was 15 per cent. higher. Of total income, 43 per cent. (2007: 32 per cent.) is from international retail banking. Income from international retail banking increased by 34 per cent. to € 864 million compared to € 646 million in 2007, partly as a result of the consolidation of Bank BGZ. As a result of worsened economic conditions in Ireland, ACCBank’s income was lower.

*Interest.* Interest increased by 72 per cent. to € 3,156 million compared to € 1,832 million in 2007, mainly due to the growth in lending in the international retail banking business and Corporate Banking activities and the increased spreads.

*Fees and commission.* Fees and commission income decreased by 8 per cent. to € 304 million compared to € 332 million in 2007 due to lower commission with respect to securities transactions.

*Other income.* Other income fell by € 1,288 million to negative € 1,463 million compared to negative € 175 million in 2007. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this, trading income was lower at Global Financial Markets.

*Operating expenses.* In 2008, total operating expenses were virtually unchanged from 2007 at € 1,708 million compared to € 1,715 million in 2007.

*Staff costs.* Almost all of the growth in staff numbers is due to the consolidation of Bank BGZ. The number of staff rose by 53 per cent. to 15,223 (2007: 9,957) full-time employees. Partly as a result of a reduction of the bonuses however, staff costs increased by only 2 per cent, to € 909 million compared to € 890 million in 2007.

*Other administrative expenses.* Other administrative expenses decreased by 7 per cent. to € 715 million compared to € 772 million in 2007 mainly due to the decrease in non-banking charges as a result of the sale of a few equity investments.

*Depreciation.* Depreciation and amortisation charges were 58 per cent. higher at € 84 million compared to € 53 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

*Value adjustments.* Although Rabobank International was not directly affected by the failure of certain United States banks in 2008, these events do reflect the unfavourable macroeconomic conditions during the period. The Irish real estate sector was particularly affected in 2008. The financing provided by Rabobank International to this sector had a major impact on bad debt costs. The item “value adjustments” rose by € 770 million to € 786 million compared to € 16 million in 2007. This corresponds to 93 (2007: 2) basis points of average lending, which is higher than the 10-year average of 47 basis points (based on the period from 1998 to 2007).

*Taxation.* Taxation decreased by € 448 million to negative € 524 million compared to negative € 76 million in 2007. The loss at Global Financial Markets and the higher income from Participations, the latter being largely tax-exempt because of participation exemption, contributed to the decline in taxation.

*Net profit.* Net profit decreased by € 307 million to € 27 million compared to € 334 million in 2007.

#### ***Asset management and investment***

The following table sets forth certain summarised financial information for Rabobank Group’s asset management and investment business for the years indicated:

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Interest.....	104	144	82
Fees and commission .....	757	1,084	1,089
Other income.....	123	390	308
<b>Total income</b> .....	<b>984</b>	<b>1,618</b>	<b>1,479</b>
Staff costs .....	553	559	581
Other administrative expenses .....	288	352	320
Depreciation .....	109	102	90
<b>Operating expenses</b> .....	<b>950</b>	<b>1,013</b>	<b>991</b>
<b>Gross profit</b> .....	<b>34</b>	<b>605</b>	<b>488</b>
Value adjustments .....	4	42	1

	Year ended 31 December		
	2009	2008	2007
<i>(in millions of euro)</i>			
<b>Operating profit before taxation</b> .....	30	563	487
Taxation.....	17	125	125
<b>Net profit</b> .....	13	438	362

#### **Year ended 31 December 2009 compared to year ended 31 December 2008**

*Total income.* In 2008, the gain on the sale of Alex and the performance-related commission fees from Robeco subsidiary Transtrend made a significant contribution to income. In 2009, total income from asset management declined by 39 per cent. to € 984 million in 2009 compared to € 1,618 million in 2008. Not including the gain on the sale of Alex, the decline was 21 per cent.

*Interest.* Interest income for Robeco Direct was lower due to fierce competition in the savings market. This was a significant factor in the 28 per cent. decrease in interest income to € 104 million in 2009 compared to € 144 million in 2008.

*Fees and commission.* The lower performance-related commission fees at Robeco's subsidiary Transtrend were the main driver for the 30 per cent. decline in total commission income to € 757 million compared to € 1,084 million in 2008. The regular asset management fees, that depend on average assets managed during the year, dropped slightly.

*Other income.* Other income decreased by € 267 million to € 123 million in 2009 compared to € 390 million in 2008. Not including the gain on the sale of Alex, other income was € 100 million higher due in part to higher trading results for Sarasin.

*Operating expenses.* Robeco's operating expenses were lower as a result of the cost-cutting programme. Sarasin's expenses showed a limited increase, despite cost reductions, due to the expansion of its operations. In 2009, total operating expenses for the asset management operations experienced a 6 per cent. decrease to € 950 million in 2009 compared to € 1,013 million in 2008.

*Staff costs.* Staff costs decreased by 1 per cent. to € 553 million in 2009 compared to € 559 million in 2008, mainly as a result of the cost reduction programme at Robeco. This programme resulted in a 3 per cent. decrease in staffing levels to 3,501 (2008: 3,620) full-time employees.

*Other administrative expenses.* The cost reduction programme at Robeco resulted in other administrative expenses declining by 18 per cent. to € 288 million in 2009 compared to € 352 million in 2008.

*Depreciation.* Due in part to higher amortisation of software and intangible assets, depreciation and amortisation charges were 7 per cent. higher at € 109 million in 2009 compared to € 102 million in 2008.

*Value adjustments.* In 2008, Sarasin had to recognise value adjustments on financial institutions as a result of the turbulence in the financial markets. There were no additional value adjustments in 2009. Robeco reported value adjustments in 2009 by virtue of the mortgage portfolio. The total amount of value adjustments for asset management operations was € 4 million in 2009 compared to € 42 million in 2008.

*Taxation.* Taxation decreased by € 108 million to € 17 million in 2009 compared to € 125 million in 2008.

*Net profit.* Net profit decreased by € 425 million to € 13 million in 2009 compared to € 438 million in 2008.

### ***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income increased by 9 per cent. to € 1,618 million compared to € 1,479 million in 2007. The gain was primarily due to the sale of Alex and the Transtrend Diversified Trend Program's strong investment performance.

*Interest.* Mainly due to the increase of interest income at Robeco, interest income was 76 per cent. higher at € 144 million compared to € 82 million in 2007.

*Fees and commission.* The decrease in assets under management had a negative impact on the asset management fees. This decrease was, however, offset by the Transtrend Diversified Trend Program's strong investment results. Since Alex has ceased to be consolidated as from 2008, income from securities brokerage decreased sharply. In net terms, commission income was virtually unchanged at € 1,084 million compared to € 1,089 million in 2007.

*Other income.* Other income was 27 per cent. higher at € 390 million compared to € 308 million in 2007, due, in part, to the gain from the sale of Alex. In 2007, the main drivers of other income were gains from Sarasin's disposal of its Luxembourg activities and income from its brokerage business.

*Operating expenses.* Total operating expenses increased by 2 per cent. in 2008 to € 1,013 million compared to € 991 million in 2007, mainly due to the expansion of Sarasin's activities.

*Staff costs.* The sale of Alex and staff redundancies at Robeco caused a decrease in staff numbers. Due, however, to the expansion of Sarasin's activities, the total staffing level rose by 4 per cent. to 3,620 (2007: 3,468) full-time employees. Staff costs were 4 per cent. lower at € 559 million compared to € 581 million in 2007, as a result of a reorganisation at Robeco and decreased bonuses.

*Other administrative expenses.* Other administrative expenses rose by 10 per cent. to € 352 million compared to € 320 million in 2007, as a result of the expansion of activities at Sarasin.

*Depreciation.* Due in part to higher depreciation on intangible assets, depreciation and amortisation charges were 13 per cent. higher at € 102 million compared to € 90 million in 2007.

*Value adjustments.* The adverse conditions in the financial markets resulted in a number of write-offs on financial institutions by Sarasin. As a result, the item "value adjustments" increased by € 41 million to € 42 million compared to € 1 million in 2007.

*Taxation.* Taxation was stable in 2008 at € 125 million in each of 2007 and 2008.

*Net profit.* Net profit increased by 21 per cent. to € 438 million compared to € 362 million in 2007.

### ***Leasing***

The following table sets forth certain summarised financial information for Rabobank Group's leasing business for the years indicated:

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Interest.....	590	530	518
Fees and commission .....	59	61	52
Other income.....	377	424	425

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
<b>Total income</b> .....	1,026	1,015	995
Staff costs.....	375	377	369
Other administrative expenses.....	206	188	193
Depreciation.....	35	31	32
<b>Operating expenses</b> .....	<b>616</b>	<b>596</b>	<b>594</b>
<b>Gross profit</b> .....	<b>410</b>	<b>419</b>	<b>401</b>
Value adjustments.....	300	118	100
<b>Operating profit before taxation</b> .....	<b>110</b>	<b>301</b>	<b>301</b>
Taxation.....	(2)	66	67
<b>Net profit</b> .....	<b>112</b>	<b>235</b>	<b>234</b>

#### ***Year ended 31 December 2009 compared to year ended 31 December 2008***

*Total income.* At De Lage Landen total income increased by 1 per cent. to € 1,026 million in 2009 compared to € 1,015 million in 2008 as a result of higher interest income.

*Interest.* Interest income increased by 11 per cent. to € 590 million in 2009 compared to € 530 million in 2008 due to higher margins on new business and growth in the lending volume.

*Fees and commission.* Lower agency commissions caused total commissions to decrease by 3 per cent. to € 59 million in 2009 compared to € 61 million in 2008.

*Other income.* The downturn in the market for second-hand cars led to an 11 per cent. decline in other income to € 377 million in 2009 compared to € 424 million in 2008.

*Operating expenses.* Total operating expenses incurred in the leasing division in the reporting period increased by 3 per cent. to € 616 million in 2009 compared to € 596 million in 2008.

*Staff costs.* Staff costs fell by 1 per cent. to € 375 million in 2009 compared to € 377 million in 2008. The acquisition of Masterlease's Italian car leasing operations, which resulted in approximately 45 additional full-time employees, was a factor in the 1 per cent. increase in the total employee base to 4,734 (2008: 4,667) full-time employees.

*Other administrative expenses.* Other administrative expenses rose by 10 per cent. to € 206 million in 2009 compared to € 188 million as a result of asset impairments.

*Depreciation.* Depreciation increased by € 4 million to € 35 million in 2009 compared to € 31 million in 2008.

*Value adjustments.* The poor economic situation caused value adjustments at De Lage Landen to rise by € 182 million to € 300 million in 2009 compared to € 118 million in 2008. Expressed in basis points of the average lending volume, bad debt costs were 132 (2008: 56) basis points. This is above the 10-year average of 56 basis points (based on the period from 1999 to 2008).

*Taxation.* Taxation decreased by € 68 million to a negative amount of € 2 million in 2009 compared to € 66 million in 2008.

*Net profit.* Net profit decreased by 52 per cent. to € 112 million in 2009 compared to € 235 million in 2008.

***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income increased by 2 per cent. to € 1,015 million compared to € 995 million in 2007. Although the spreads on new contracts improved, the spreads for the portfolio as a whole were lower due to increased funding costs.

*Interest.* Interest income rose by 2 per cent. to € 530 million compared to € 518 million in 2007 as a result of growth of the loan portfolio.

*Fees and commission.* Commission income was 17 per cent. higher at € 61 million compared to € 52 million in 2007, due to higher brokerage commission income.

*Other income.* The greater part of income from car-leasing activities is recognised under other income. Other income remained stable at € 424 million compared to € 425 million in 2007.

*Operating expenses.* Total operating expenses were stable in 2008 at € 596 million compared to € 594 million in 2007.

*Staff costs.* Increased activities resulted in a 6 per cent. rise in staff numbers to 4,667 (2007: 4,411) full-time employees. This contributed to the 2 per cent. rise in staff costs to € 377 million compared to € 369 million in 2007.

*Other administrative expenses.* Other administrative expenses decreased by 3 per cent. to € 188 million compared to € 193 million in 2007, mainly as a result of lower marketing and automation costs.

*Depreciation.* Depreciation was stable in 2008 at € 31 million compared to € 32 million in 2007.

*Value adjustments.* The growth in the loan portfolio and the worsened economic situation caused an 18 per cent. increase in the item “value adjustments” in 2008, to € 118 million compared to € 100 million in 2007. In terms of basis points of the average loan portfolio, the bad debt costs were 56 (2007: 52) basis points. The bad debt costs exceeded the level of 2007 and were lower than the 10-year average of 55 basis points (based on the period from 1998 to 2007).

*Taxation.* Taxation in 2008 decreased by € 1 million to € 66 million compared to € 67 million in 2007.

*Net profit.* Net profit was virtually stable in 2008 at € 235 million compared to € 234 million in 2007.

***Real estate***

The following table sets forth certain summarised financial information for Rabobank Group’s real estate business for the years indicated:

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Interest.....	182	85	72
Fees and commission .....	44	31	1
Other income.....	283	311	573
<b>Total income</b> .....	<b>509</b>	<b>427</b>	<b>646</b>
Staff costs.....	196	220	217

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Other administrative expenses .....	164	131	167
Depreciation .....	37	43	51
<b>Operating expenses</b> .....	<b>397</b>	<b>394</b>	<b>435</b>
<b>Gross profit</b> .....	<b>112</b>	<b>33</b>	<b>211</b>
Value adjustments .....	22	0	2
<b>Operating profit before taxation</b> .....	<b>90</b>	<b>33</b>	<b>209</b>
Taxation .....	22	9	55
<b>Net profit</b> .....	<b>68</b>	<b>24</b>	<b>154</b>

#### ***Year ended 31 December 2009 compared to year ended 31 December 2008***

*Total income.* During 2009, total income in Rabobank Group's real estate business increased by 19 per cent. to € 509 million in 2009 compared to € 427 million in 2008.

*Interest.* Interest income increased by € 97 million to € 182 million in 2009 compared to € 85 million in 2008, mainly as a result of yield curve trends and higher margins on new real estate loans and renewals.

*Fees and commission.* Although commission from issues fell owing to lower levels of activity at Bouwfonds REIM, total commissions rose by 42 per cent. to € 44 million in 2009 compared to € 31 million in 2008 due to the fee received by FGH Bank in connection with the buy-back of debt securities.

*Other income.* Bouwfonds Property Development sold fewer homes in 2009 than in 2008, and a greater proportion was sold to housing associations and investors at a lower average margin. MAB Development also completed fewer properties in 2009. These developments contributed to the 9 per cent. decline in other income, which fell to € 283 million in 2009 compared to € 311 million in 2008.

*Operating expenses.* Total operating expenses increased by 1 per cent. to € 397 million in 2009 compared to € 394 million in 2008.

*Staff costs.* Given the deteriorating conditions in the market, Rabo Real Estate Group initiated a major cost-cutting programme in 2009. The immediate result of this step was an 11 per cent. decrease in staff costs to € 196 million in 2009 compared to € 220 million in 2008. The number of employees decreased by 11 per cent. to 1,549 (2008: 1,743) full-time employees.

*Other administrative expenses.* The cost-cutting programme led to additional reorganisation expenses. This contributed to a 25 per cent. increase in other administrative expenses to € 164 million in 2009 compared to € 131 million in 2008.

*Depreciation.* In 2009, depreciation decreased by € 6 million to € 37 million in 2009 compared to € 43 million in 2008.

*Value adjustments.* During 2009, FGH Bank had to deal with several clients that had difficulties. As a consequence, value adjustments amounted to € 22 million in 2009 compared to nil in 2008. Expressed as a percentage of the average loan portfolio, bad debt costs accounted for 14 basis points.



*Taxation.* In 2009, taxation increased by € 13 million to € 22 million in 2009 compared to € 9 million in 2008.

*Net profit.* Net profit increased by € 44 million to € 68 million in 2009 compared to € 24 million in 2008.

### ***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* In 2008, total income fell by 34 per cent. to € 427 million compared to € 646 million in 2007.

*Interest.* Interest income was 19 per cent. higher at € 85 million compared to € 72 million in 2007, due to higher interest income at FGH Bank as a result of portfolio growth.

*Fees and commission.* Commission income increased by € 30 million to € 31 million compared to € 1 million in 2007, primarily as a result of higher asset management commission income at Bouwfonds REIM.

*Other income.* Other income was 46 per cent. lower at € 311 million compared to € 573 million in 2007, due to lower project results and in particular the decline in the number of owner occupied houses sold.

*Operating expenses.* Total operating expenses were 9 per cent. lower in 2008 at € 394 million compared to € 435 million in 2007.

*Staff costs.* Staff numbers rose by 3 per cent. to 1,743 (2007: 1,700) full-time employees. As a result, staff costs increased by 1 per cent. to € 220 million compared to € 217 million in 2007.

*Other administrative expenses.* Other administrative expenses were 22 per cent. lower at € 131 million compared to € 167 million in 2007, mainly due to the decrease in depreciation of intangible assets.

*Depreciation.* Depreciation decreased in 2008 by € 8 million to € 43 million compared to € 51 million in 2007.

*Value adjustments.* Value adjustments decreased in 2008 to € 0 million compared to € 2 million in 2007.

*Taxation.* Taxation decreased in 2008 by € 46 million to € 9 million compared to € 55 million in 2007.

*Net profit.* Net profit fell by 84 per cent. to € 24 million compared to € 154 million in 2007.

## **Liquidity and capital resources**

Rabobank Group's total assets were € 675.8 billion at 30 June 2010, an 11 per cent. increase from € 607.9 billion at 31 December 2009. The largest proportion of Rabobank Group's existing lending portfolio (not including investments in Dutch treasury securities, other Dutch public sector bonds and securities and interbank deposit placements) consists of residential mortgage loans, which in the Netherlands are primarily fixed rate.

### ***Loan portfolio***

The uncertain economic circumstances caused retail clients to be reluctant to new residential mortgages and led to businesses putting off their investments. Therefore, the growth of the lending portfolio at the local Rabobanks was lower than in the comparable period of the previous year. Most of the growth in lending at Rabobank International and De Lage Landen was caused by the depreciation of the euro. The loans to customers item increased by 5 per cent., or € 20.9 billion, to € 454.8 billion at 30 June 2010 from € 433.9 billion at 31 December 2009. The private sector loan portfolio increased by € 19.4 billion to € 435.1 billion at 30 June 2010, an increase of 5 per cent. from € 415.7 billion at 31 December 2009. Loans to private individuals, primarily for mortgage finance, was up by € 3.1 billion, or 2 per cent., to € 202.3 billion at 30 June 2010 compared to 31 December 2009. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have maturities of up to 30 years. Loans to the trade, industry and services sector decreased by € 11.3 billion to € 156.4 billion at 30 June 2010, an 8 per

cent. increase compared to 31 December 2009. Lending to the food and agri sector increased by € 5.0 billion to € 76.4 billion at 30 June 2010, a 7 per cent. increase compared to 31 December 2009.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2009 and 31 December 2008, by category of borrower:

	<b>At 31 December</b>			
	<b>2009</b>		<b>2008</b>	
<i>(in millions of euro and as a percentage of total private sector lending)</i>				
Private individuals .....	200,607	48%	193,958	47%
Trade, industry and services sector .....	143,679	35%	146,336	36%
Food and agri sector.....	71,462	17%	68,326	17%
<b>Total private sector lending .....</b>	<b>415,748</b>	<b>100%</b>	<b>408,620</b>	<b>100%</b>

The maturities of loans granted by Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of Rabobank Group's total loans to customers (public and private sectors) and professional securities transactions at 31 December 2009 and 31 December 2008:

	<b>At 31 December</b>			
	<b>2009</b>		<b>2008</b>	
<i>(in millions of euro and as a percentage of total loans to customers)</i>				
Less than one year .....	83,319	19%	70,783	17%
More than one year .....	350,551	81%	355,500	83%
<b>Total loans to customers.....</b>	<b>433,870</b>	<b>100%</b>	<b>426,283</b>	<b>100%</b>

### **Funding**

At 30 June 2010, amounts due to customers of Rabobank Group were € 297.8 billion, an increase of 4 per cent. compared to 31 December 2009. The balance held in savings deposits increased by € 4.1 billion to € 125.5 billion, an increase of 3 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by € 7.3 billion to € 172.3 billion at 30 June 2010. At 30 June 2010, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled € 192.4 billion compared to € 171.8 billion at 31 December 2009. Savings deposits (except fixed-time deposits, from one month to 10 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 31 December 2009, 31 December 2008 and 31 December 2007:

	Year ended 31 December		
	2009	2008	2007
<i>(in millions of euro)</i>			
Savings deposits.....	121,373	114,680	101,175
Other due to customers.....	164,965	189,534	175,435
Debt securities in issue.....	171,752	135,779	141,812
Other financial liabilities at fair value through profit and loss .....	27,319	24,797	27,303
<b>Total</b> .....	<b>485,409</b>	<b>464,790</b>	<b>445,725</b>

Rabobank Group also receives funds from the interbank and institutional market. Rabobank Group's total due to other banks was € 27.6 billion at 30 June 2010, a 23 per cent. increase from € 22.4 billion at 31 December 2009.

### **Other financial assets**

Other financial assets comprise debt securities and other assets. Other financial assets are subdivided into the following categories:

- Trading financial assets;
- Other financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity assets.

	Other financial assets at 31 December 2009				Total
	Trading	Other at fair value through profit and loss	Available-for-sale	Held-to-maturity	
<i>(in millions of euro)</i>					
Purchased loans.....	3,644	—	—	—	3,644
Short-term government securities.....	893	113	887	—	1,893
Government bonds.....	1,802	762	14,209	360	17,133
Other debt securities.....	4,094	5,780	17,228	58	27,160
<b>Total debt securities</b> .....	<b>10,433</b>	<b>6,655</b>	<b>32,324</b>	<b>418</b>	<b>49,830</b>
Venture capital.....	—	518	—	—	518
Equity instruments.....	2,328	1,949	1,025	—	5,302
<b>Total other assets</b> .....	<b>2,328</b>	<b>2,467</b>	<b>1,025</b>	<b>—</b>	<b>5,820</b>
<b>Total</b> .....	<b>12,761</b>	<b>9,122</b>	<b>33,349</b>	<b>418</b>	<b>55,650</b>
Category 1 <sup>(1)</sup> .....	8,087	8,114	31,283	418	47,902
Category 2 <sup>(1)</sup> .....	4,422	598	1,311	—	6,331

**Other financial assets at 31 December 2009**

	<b>Trading</b>	<b>Other at fair value through profit and loss</b>	<b>Available- for-sale</b>	<b>Held-to- maturity</b>	<b>Total</b>
<i>(in millions of euro)</i>					
Category 3 <sup>(1)</sup> .....	252	410	755	—	1,417

Note:

- (1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

**Other financial assets at 31 December 2008**

	<b>Trading</b>	<b>Other at fair value through profit and loss</b>	<b>Available- for-sale</b>	<b>Held-to- maturity</b>	<b>Total</b>
<i>(in millions of euro)</i>					
Purchased loans .....	2,643	—	—	—	2,643
Short-term government securities .....	172	13	1,579	—	1,764
Government bonds .....	2,005	565	17,128	464	20,162
Other debt securities .....	4,566	6,443	11,964	33	23,006
<b>Total debt securities</b> .....	<b>9,386</b>	<b>7,021</b>	<b>30,671</b>	<b>497</b>	<b>45,575</b>
Venture capital .....	—	646	—	—	646
Equity instruments .....	2,190	229	994	—	3,413
<b>Total other assets</b> .....	<b>2,190</b>	<b>875</b>	<b>994</b>	<b>—</b>	<b>4,059</b>
<b>Total</b> .....	<b>11,576</b>	<b>7,896</b>	<b>31,665</b>	<b>497</b>	<b>51,634</b>
Category 1 <sup>(1)</sup> .....	10,670	6,654	29,713	497	47,534
Category 2 <sup>(2)</sup> .....	861	869	1,939	—	3,669
Category 3 <sup>(3)</sup> .....	45	373	13	—	431

Note:

- (1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

***Credit related commitments\****

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending related financial instruments. Rabobank's credit

risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, Rabobank will make payments on behalf of clients if they are unable to meet their financial obligations to third parties. Rabobank also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Guarantees.....	10,117	9,515	8,992
Letters of credit .....	3,887	1,540	2,402
Credit granting liabilities.....	30,420	31,388	36,323
Other contingent liabilities.....	240	208	21
<b>Total credit related and contingent liabilities</b> .....	<b>44,664</b>	<b>42,651</b>	<b>47,738</b>
Revocable credit facilities .....	39,890	44,402	36,433
<b>Total credit related commitments</b> .....	<b>84,554</b>	<b>87,053</b>	<b>84,171</b>

### **Capital adequacy**

Capital adequacy and the use of capital are monitored by Rabobank Group and its subsidiaries, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practices (the “**Basel Committee**”) and implemented by the EU and the Dutch legislator and the Dutch Central Bank (*De Nederlandsche Bank*, or “**DNB**”) for supervisory purposes.

The DNB, in conjunction with other bank supervisors, regards the risk asset ratio developed by the Basel Committee as a key supervisory tool and sets individual ratio requirements for banks in the Netherlands. This ratio was designed to meet the dual objectives of strengthening the soundness and stability of the international banking system and of creating a fair and consistent supervisory framework for international banks by means of an international convergence of capital measurement and capital standards. The technique involves the application of risk weightings to assets (which for this purpose includes both balance sheet assets and off-balance sheet items) to reflect the credit and other risks associated with broad categories of transactions and counterparties.

The Basel Committee guidelines set a minimum total risk asset ratio for all international banks of 8 per cent. Bank capital adequacy requirements have also been established pursuant to EU directives. These directives, as implemented in the Netherlands, set forth capital standards similar to those of the Basel Committee guidelines.

On 1 January 2008, Rabobank Group adopted the Advanced Internal Rating Based (“**AIRB**”) Approach to the majority of its significant portfolios that contain credit risk in accordance with the approvals granted by the DNB, and various local regulators, as required. However, there remains a small portion of the portfolio that is subject to the Standardised Approach. Individually, these portfolios are relatively small or are related to new acquisitions in companies that themselves did not yet follow the AIRB Approach.

In addition, the EU Capital Adequacy Directive (“CAD”), which became effective on 1 January 1996, established minimum capital requirements for banks and investment firms for market risks. The CAD was based on a proposal by the Basel Committee and has now been recast by later EU directives.

The risk asset approach to capital adequacy emphasises the importance of Tier 1 capital. In determining a bank’s risk asset ratio, the rules limit qualifying Tier 2 supplementary capital to an amount equal to Tier 1 capital. Tier 2 capital includes subordinated debt and certain fixed asset revaluation reserves.

The concept of risk weighting assumes that banking activities generally involve some risk of loss. For risk weighting purposes, commercial lendings are taken as a benchmark to which a risk weighting of 100 per cent. is ascribed. With the introduction of the Basel II framework the risk weighting is more risk sensitive and based on internal assessments of the creditworthiness of counterparties. In practice, this leads to an exposure-specific risk weighting. Off-balance sheet items are generally converted to credit risk equivalents by applying credit conversion factors. The resulting amounts are then again risk-weighted according to the nature of the counterparty.

In the case of interest and exchange rate-related contracts, the risks involved relate to the potential loss of cash flows rather than notional principal amounts. These risks are represented by the replacement cost (as defined by the DNB) of the contracts plus an add-on to reflect potential future volatility in replacement cost arising from movements in market rates.

For a discussion of the Basel II framework, see “*Regulation of Rabobank Group*”.

The Tier 1 ratio and the BIS ratio are the most common ratios used in the financial world to measure solvency. The Tier 1 ratio expresses the relationship between Tier 1 capital and total risk-weighted assets. At 30 June 2010, Rabobank Group’s Tier 1 ratio stood at 14.9 per cent. (year-end 2009: 13.8 per cent.). The minimum requirement set by the external supervisors is 4 per cent. The high Tier 1 ratio is one of the reasons for Rabobank Group’s high credit rating.

Due, in part, to the further roll-out of Basel II, adjustments to trading portfolios and stricter control of risk-weighted assets, these assets were down € 10.1 billion to € 223.3 billion at 30 June 2010 compared to 31 December 2009. Retained earnings were a contributing factor in the € 1.0 billion increase in Tier 1 capital to € 33.2 billion at 30 June 2010 compared to 31 December 2009.

The BIS ratio is calculated by dividing the total of Tier 1 and Tier 2 capital by the total of risk-weighted assets. At 30 June 2010, the BIS ratio stood at 15.3 per cent. (year-end 2009: 14.1 per cent.). This exceeds the minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the risk-weighted capital ratios of Rabobank Group at 30 June 2010, at 31 December 2009, 31 December 2008 and 31 December 2007, in each case calculated under the Netherlands’ implementation of the relevant EU directives:

### Development in capital and solvency ratios

	At 30 June	At 31 December		
	2010	2009	2008	2007
<i>(in millions of euro, except percentages)</i>				
Tier 1 capital <sup>(1)</sup> .....	33,178	32,190	30,358	28,518
Tier 1 ratio <sup>(1)</sup> .....	14.9%	13.8%	12.7%	10.7%
Qualifying capital <sup>(1)</sup> .....	34,140	32,831	30,912	29,190

	At 30 June	At 31 December		
	2010	2009	2008	2007
<i>(in millions of euro, except percentages)</i>				
BIS ratio <sup>(1)</sup> .....	15.3%	14.1%	13.0%	10.9%

Note:

- (1) These figures have been based on Basel II requirements since 2008. Data for 2007 are based on Basel I requirements.

### **Selected statistical information\***

The following section discusses selected statistical information regarding Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "Results of operations" for an analysis of fluctuations in Rabobank Group's results between periods.

#### **Return on equity and assets**

The following table presents information relating to Rabobank Group's return on equity and assets for each of the past five years:

	2009	2008	2007	2006	2005
<i>(in percentages)</i>					
Return on assets <sup>(1)</sup> .....	0.37	0.47	0.45	0.43	0.40
Return on equity <sup>(2)</sup> .....	6.36	8.67	8.81	8.57	8.44
Equity to assets ratio <sup>(3)</sup> .....	5.82	5.47	5.20	5.09	4.73

Notes:

- (1) Net profit as a percentage of total average assets, based on month-end balances.  
(2) Net profit as a percentage of average equity, based on quarter-end balances.  
(3) Average equity divided by average total assets, based on quarter-end balances.

The following table presents information relating to payments on Rabobank Member Certificates for each of the past five years:

	2009	2008	2007	2006	2005
<i>(in millions of euro, except percentages)</i>					
Outstanding Rabobank Member Certificates <sup>(1)</sup>	6,275	6,180	5,948	5,812	4,311
Payments .....	318	316	299	277	211
Average yield.....	5.07%	5.11%	5.03%	4.775%	4.89%

Note:

- (1) Average outstanding Rabobank Member Certificates based on month-end balances.

### ***Loan portfolio***

Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses Rabobank Group's loan portfolio by sector at 31 December 2009, 31 December 2008 and 31 December 2007:

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Private sector lending.....	415,748	408,620	355,973
Government clients .....	3,936	8,848	5,095
Securities transactions due from private sector lending ....	8,368	3,812	14,422
Interest rate hedges (hedge accounting).....	5,818	5,003	(2,522)
<b>Total loans to customers</b> .....	<b>433,870</b>	<b>426,283</b>	<b>372,968</b>
Changes in loans to customers .....	(4,399)	(3,130)	2,282
Reclassified assets.....	8,648	9,994	—
<b>Gross loans to customers</b> .....	<b>429,621</b>	<b>419,419</b>	<b>375,250</b>

The table below sets forth a geographic breakdown of Rabobank Group's loan portfolio at 31 December 2009, 31 December 2008 and 31 December 2007:

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
The Netherlands .....	1,698	1,196	493
Other countries in the EU zone .....	482	2,654	296
North America.....	469	498	163
Latin America.....	44	781	39
Asia .....	1,073	3,668	4,079
Australia .....	7	4	3
Other countries .....	163	47	22
<b>Total government clients</b> .....	<b>3,936</b>	<b>8,848</b>	<b>5,095</b>
The Netherlands .....	312,477	298,172	269,964
Other countries in the EU zone .....	37,259	43,228	31,122
North America.....	36,194	40,415	30,207
Latin America.....	8,837	7,372	6,604
Asia .....	6,112	5,803	4,872



	At 31 December		
	2009	2008	2007
<i>(in millions of euro)</i>			
Australia.....	14,837	12,830	12,370
Other countries.....	32	800	834
<b>Total private sector lending</b> .....	<b>415,748</b>	<b>408,620</b>	<b>355,973</b>

***Breakdown of assets and liabilities by repayment date\****

The table below shows Rabobank's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date. These amounts correspond with the statement of financial position.

	At 31 December 2009						Total
	On demand	Less than three months	Three months to one year	One to five years	More than five years	No repayment date	
<i>Payments due by period (in millions of euro)</i>							
Cash and cash equivalents.....	8,078	7,657	13	—	—	817	16,565
Due from other banks ....	18,731	10,389	1,259	2,633	2,626	3	35,641
Trading financial assets .	565	935	1,364	5,238	2,667	1,992	12,761
Other financial assets at fair value through profit and loss.....	1	820	455	1,794	3,879	2,173	9,122
Derivative financial instruments .....	498	4,058	4,155	14,594	15,729	57	39,091
Loans to customers .....	25,724	33,144	24,451	71,924	262,631	15,996	433,870
Available-for-sale financial assets.....	100	3,466	6,649	12,937	10,128	69	33,349
Held-to-maturity financial assets.....	—	50	124	244	—	—	418
Other assets (including current tax assets) .....	1,355	1,597	1,637	2,453	676	1,243	8,961
<b>Total financial assets</b> ....	<b>55,052</b>	<b>62,116</b>	<b>40,107</b>	<b>111,817</b>	<b>298,336</b>	<b>22,350</b>	<b>589,778</b>
Due to other banks .....	3,405	12,762	2,204	3,051	990	17	22,429
Due to customers .....	195,802	58,933	8,676	8,588	14,101	238	286,338
Debt securities in issue ..	2,927	50,536	45,179	47,569	25,541	—	171,752
Derivative financial instruments and other trade liabilities .....	3,784	4,435	4,384	14,674	21,380	108	48,765
Other debts (incl. current tax liabilities).....	1,191	3,592	878	304	18	2,568	8,551

At 31 December 2009

	On demand	Less than three months	Three months to one year	One to five years	More than five years	No repayment date	Total
<i>Payments due by period (in millions of euro)</i>							
Other financial liabilities at fair value through profit and loss...	257	719	3,348	10,851	12,144	—	27,319
Subordinated debt .....	—	—	—	434	1,928	—	2,362
<b>Total financial liabilities .....</b>	<b>207,366</b>	<b>130,977</b>	<b>64,669</b>	<b>85,471</b>	<b>76,102</b>	<b>2,931</b>	<b>567,516</b>
<b>Net liquidity surplus/(deficit) .....</b>	<b>(152,314)</b>	<b>(68,861)</b>	<b>(24,562)</b>	<b>26,346</b>	<b>222,234</b>	<b>19,419</b>	<b>22,262</b>

The above breakdown was compiled on the basis of contract information, without taking into account actual movements in items in the statement of financial position. This is taken into account, however, for the day-to-day management of the liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, experience has shown that this is a stable source of financing at the long-term disposal of the bank. The regulations of the supervisory authority are also factored in. Based on the liquidity criteria of the Dutch Central Bank, Rabobank had a substantial liquidity surplus at 31 December 2009 and throughout 2009. The average liquidity surplus was 28 per cent. of the total liquidity requirement. The surplus at 31 December 2009 was 23 per cent.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required.

### ***Interest rate sensitivity***

The three key indicators used for managing the interest rate risk are the Basis Point Value, the Equity at Risk and the Income at Risk.

The Basis Point Value ("BPV") is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2009, the BPV did not exceed € 26 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of Rabobank Group equity's market value to interest rate fluctuations. A 200 basis point overnight parallel shock of the curve will result in a 10 per cent. drop in the market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the maximum amount of interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease with a maximum of 200 basis points over a one-year period, the interest income would decrease by € 83 million.

### ***Cross-border outstandings\****

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are

denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At 31 December 2009, there were no cross-border outstandings exceeding 1 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings at the end of each of the last three years, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1 per cent. of total assets, by type of borrower:

<i>(in millions of euro)</i>	<b>Banks</b>	<b>Public authorities</b>	<b>Private sector</b>	<b>Total</b>
<b>At 31 December 2009</b>				
France .....	2,702	1,889	4,735	9,326
Germany .....	3,923	2,821	5,037	11,781
Ireland.....	499	346	7,958	8,803
United Kingdom .....	11,732	1,858	11,212	24,802
Poland.....	142	1,915	5,375	7,432
United States.....	7,437	6,444	48,494	62,375
Australia .....	1,050	412	11,943	13,405
<b>At 31 December 2008</b>				
France .....	2,856	1,595	4,500	8,951
Germany .....	4,624	3,919	6,825	15,368
Ireland.....	925	561	9,273	10,759
United Kingdom .....	11,857	2,566	9,276	23,699
Poland.....	161	1,438	5,048	6,647
United States.....	5,796	8,225	51,169	65,190
Japan.....	914	6,664	205	7,783
Australia .....	1,427	1,164	9,360	11,951
<b>At 31 December 2007</b>				
France .....	2,382	1,402	3,437	7,221
Belgium .....	2,766	1,005	2,311	6,082
Germany .....	5,640	3,428	6,579	15,647
Ireland.....	1,797	413	10,205	12,415
United Kingdom .....	18,042	102	13,492	31,636
Switzerland.....	4,686	220	1,924	6,830
United States.....	6,634	9,787	67,848	84,269
Spain.....	2,610	1,048	3,007	6,665
Japan.....	4,838	8,371	435	13,644
Australia .....	960	895	10,747	12,602

### ***Diversification of loan portfolio\****

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. Rabobank Group uses the North America Industry Classification System (“NAICS”) as the leading system to classify industries. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 31 December 2009:

	<b>At 31 December 2009</b>		
	<b>On balance</b>	<b>Off balance</b>	<b>Total</b>
<i>(in millions of euro)</i>			
Animal protein .....	14,009	330	14,339
Dairy .....	11,883	156	12,039
Grain and oilseeds .....	11,731	598	12,330
Fruit and vegetables .....	8,655	61	8,715
Food retail and foodservice .....	4,706	258	4,964
Farm inputs .....	4,093	166	4,259
Flowers .....	3,740	19	3,759
Beverages .....	2,739	93	2,833
Miscellaneous crops .....	2,194	5	2,199
Sugar .....	1,630	125	1,755
Other .....	6,082	149	6,231
<b>Total private sector lending to food and agri .....</b>	<b>71,462</b>	<b>1,960</b>	<b>73,423</b>
Lessors of real estate .....	26,040	84	26,123
Finance and insurance excluding banks .....	25,272	3,529	28,801
Wholesale .....	14,967	2,640	17,607
Manufacturing .....	8,436	540	8,976
Construction .....	8,934	1,783	10,717
Transportation and warehousing .....	7,568	517	8,084
Activities related to real estate .....	7,297	51	7,348
Non food retail .....	4,373	149	4,521
Healthcare and social assistance .....	5,154	39	5,193
Professional, scientific and technical services .....	5,023	330	5,353
Information and communication .....	2,876	198	3,074
Arts, entertainment and recreation .....	1,410	22	1,432
Utilities .....	1,172	122	1,294
Other services .....	25,158	1,483	26,642

**At 31 December 2009**

	<b>On balance</b>	<b>Off balance</b>	<b>Total</b>
<i>(in millions of euro)</i>			
<b>Total private sector lending to trade, manufacturing and services</b> .....	143,679	11,487	155,165
Private individuals.....	200,607	489	201,096
<b>Total private sector lending</b> .....	415,748	13,936	429,684

Apart from due from other banks (€ 35.6 billion at 31 December 2009 which is 6 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 48 per cent. of the total loan portfolio at 31 December 2009. This portfolio has a very low risk profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 17 per cent. in 2008. The proportion of the total loan portfolio attributable to trade, industry and services was 35 per cent. at 31 December 2009. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10 per cent. of the total client loan portfolio. Continuing poor market conditions in the Netherlands have a significant impact on many industry sectors. For the local Rabobanks, bad debt costs in the food and agri sector are concentrated in glass horticulture, and virtually all segments in the trade, industry and services sector have been significantly affected, inland shipping in particular. For Rabobank International, bad debt costs were significantly influenced by the provisions formed for the Irish real estate portfolio.

***Impaired loans***

Loans for which a provision has been made are called impaired loans. At 31 December 2009, these loans amounted to € 9,294 million (2008: € 6,573 million). The provision for loan losses amounted to € 4,569 million (2008: € 3,299 million), which corresponds to a 49 per cent. (2008: 50 per cent.) coverage. Rabobank Group forms provisions at an early stage and applies the one-obligor principle, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 31 December 2009, impaired loans corresponded to 2.3 per cent. (2008: 1.6 per cent.) of the private sector loan portfolio.

The following table provides an analysis of Rabobank Group's impaired loans by business at 31 December 2009, 31 December 2008 and 31 December 2007:

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Domestic retail banking .....	4,305	2,831	1,935
Wholesale and international retail banking .....	3,559	3,182	1,191
Leasing .....	1,066	379	323
Other .....	364	182	21

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
<b>Rabobank Group</b> .....	9,294	6,573	3,470

### **Summary of loan loss experience**

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to banks and customers for the past three years:

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Domestic retail banking .....	1,398	1,303	1,229
Wholesale and international retail banking .....	1,415	721	774
Asset management and investment .....	5	4	1
Leasing .....	246	226	221
Real estate .....	25	27	24
Other .....	41	1	—
<b>Total balance at 1 January</b> .....	<b>3,130</b>	<b>2,282</b>	<b>2,249</b>
Domestic retail banking .....	1,541	534	158
Wholesale and international retail banking .....	1,500	1,137	221
Asset management and investment .....	7	5	1
Leasing .....	331	195	105
Real estate .....	36	16	3
Other .....	14	42	1
<b>Total additions</b> .....	<b>3,429</b>	<b>1,929</b>	<b>489</b>
Domestic retail banking .....	(805)	(323)	
Wholesale and international retail banking .....	(556)	(387)	(185)
Asset management and investment .....	—	—	—
Leasing .....	(23)	(55)	—
Real estate .....	(14)	(15)	—
Other .....	(42)	—	—
<b>Total reversal of impairments</b> .....	<b>(1,440)</b>	<b>(780)</b>	<b>(185)</b>
Domestic retail banking .....	(191)	(164)	(128)
Wholesale and international retail banking .....	(382)	(155)	(83)
Asset management and investment .....	(3)	(4)	—

	<b>Year ended 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Leasing.....	(182)	(116)	(94)
Real estate.....	(6)	(2)	—
Other.....	—	—	—
<b>Total written off.....</b>	<b>(764)</b>	<b>(441)</b>	<b>(305)</b>
Domestic retail banking.....	87	48	44
Wholesale and international retail banking.....	(62)	99	(6)
Asset management and investment.....	—	—	2
Leasing.....	15	(4)	(6)
Real estate.....	4	(1)	—
Other.....	—	(2)	—
<b>Total other.....</b>	<b>44</b>	<b>140</b>	<b>34</b>
Domestic retail banking.....	2,030	1,398	1,303
Wholesale and international retail banking.....	1,915	1,415	721
Asset management and investment.....	9	5	4
Leasing.....	387	246	226
Real estate.....	45	25	27
Other.....	13	41	1
<b>Total balance at 31 December.....</b>	<b>4,399</b>	<b>3,130</b>	<b>2,282</b>

***Due to customers\****

The following table presents a breakdown of due to customers at 31 December 2009, 31 December 2008 and 31 December 2007. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Time deposits.....	47,897	81,554	82,139
Current accounts/settlement accounts.....	63,388	59,832	46,584
Repurchase agreements.....	1,207	664	3,694
Other.....	32,666	31,326	30,713
<b>Total due to customers by businesses.....</b>	<b>145,158</b>	<b>173,376</b>	<b>163,130</b>
Savings deposits.....	121,373	114,680	101,175

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Current accounts/settlement accounts .....	12,768	13,230	11,848
Other .....	7,039	2,928	457
<b>Total due to customers by individuals</b> .....	<b>141,180</b>	<b>130,838</b>	<b>113,480</b>
<b>Total due to customers</b> .....	<b>286,338</b>	<b>304,214</b>	<b>276,610</b>

#### **Short-term borrowings\***

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue". An analysis of the balance of short-term borrowings at 31 December 2009, 31 December 2008 and 31 December 2007 is provided below.

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Year-end balance .....	78,370	55,385	58,440
Average balance .....	77,160	61,010	61,277
Maximum month-end balance.....	82,167	68,963	67,358

#### **Long-term borrowings**

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue" and "Other financial liabilities at fair value through profit and loss". An analysis of the balance of long-term borrowings at 31 December 2009, 31 December 2008 and 31 December 2007 is provided below.

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in millions of euro)</i>			
Year-end balance .....	120,701	105,191	110,675
Average balance .....	116,309	110,327	109,288
Maximum month-end balance.....	122,776	112,900	112,919



## SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the reviewed interim financial information of Rabobank Group, which have been reviewed by Ernst & Young Accountants LLP and from the audited consolidated financial statements of Rabobank Group, which have been audited by Ernst & Young Accountants LLP, the independent auditor in the Netherlands, with the exception of financial ratios, these being un-audited and derived from the annual report and the interim report of Rabobank Group. The data should be read in conjunction with the consolidated financial statements, related notes incorporated by reference herein and the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” included in this Offering Circular. The consolidated interim financial information and the consolidated financial statements of Rabobank Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the consolidated financial information is presented in conformity with IAS 34 Interim Financial Reporting.

### Statement of financial position

	As at			
	30 June 2010	31 December 2009	30 June 2009	31 December 2008
<i>(in millions of euro)</i>				
<b>Assets</b>				
Cash and cash equivalents .....	9,356	16,565	15,089	7,105
Due from other banks .....	34,095	35,641	35,655	33,776
Trading financial assets .....	12,782	12,761	10,632	11,576
Other financial assets at fair value through profit and loss .....	10,037	9,122	8,024	7,896
Derivative financial instruments .....	63,578	39,091	45,043	66,759
Loans to customers .....	454,773	433,870	435,811	426,283
Available-for-sale financial assets .....	60,652	33,349	35,556	31,665
Held-to-maturity financial assets .....	241	418	501	497
Investments in associates .....	3,898	4,056	3,945	3,455
Intangible assets .....	3,936	3,736	3,741	3,728
Property and equipment .....	6,156	6,124	5,987	5,870
Investment properties .....	1,291	1,363	1,039	1,038
Current tax assets .....	352	240	215	298
Deferred tax assets .....	1,220	1,174	1,448	1,619
Employee benefits .....	1,765	1,467	783	—
Other assets .....	11,715	8,721	11,892	10,555
<b>Total assets</b> .....	<b>675,847</b>	<b>607,698</b>	<b>615,361</b>	<b>612,120</b>

	As at			
	30 June 2010	31 December 2009	30 June 2009	31 December 2008
<i>(in millions of euro)</i>				
<b>Liabilities</b>				
Due to other banks .....	27,623	22,429	25,696	23,891
Due to customers .....	297,765	286,338	284,908	304,214
Debt securities in issue .....	192,417	171,752	169,060	135,779
Derivative financial instruments and other trading liabilities .....	72,441	48,765	55,454	77,230
Other debts .....	9,999	8,083	11,039	8,644
Other financial liabilities at fair value through profit and loss .....	30,144	27,319	27,672	24,797
Provisions .....	1,080	1,095	919	875
Current tax liabilities .....	494	468	271	227
Deferred tax liabilities .....	612	489	506	474
Employee benefits .....	461	500	566	371
Subordinated debt .....	2,350	2,362	2,417	2,159
<b>Total liabilities</b> .....	<b>635,386</b>	<b>569,600</b>	<b>578,508</b>	<b>578,661</b>

	As at			
	30 June 2010	31 December 2009	30 June 2009	31 December 2008
<i>(in millions of euro)</i>				
<b>Equity</b>				
Equity of Rabobank Nederland and local Rabobanks .....	24,031	22,178	20,074	20,074
Rabobank Member Certificates issued by a group company .....	6,358	6,315	6,236	6,236
	30,389	28,493	26,310	26,310
Capital Securities and Trust Preferred Securities III to VI .....	6,337	6,182	3,510	3,510
Non-controlling interests .....	3,735	3,423	3,639	3,639
<b>Total equity</b> .....	<b>40,461</b>	<b>38,098</b>	<b>36,853</b>	<b>33,459</b>
<b>Total equity and liabilities</b> .....	<b>675,847</b>	<b>607,698</b>	<b>615,361</b>	<b>612,120</b>

## Condensed consolidated statement of income

Year ended 31 December  
("I" denotes the first half interim periods ending 30 June)

	2010-I	2009	2009-I	2008
<i>(in millions of euro)</i>				
Interest income .....	NA	19,766	NA	27,245
Interest expense .....	NA	11,720	NA	18,728
<b>Interest</b> .....	4,332	8,046	3,885	8,517
Fee and commission income.....	NA	3,015	NA	3,400
Fee and commission expense.....	NA	440	NA	511
<b>Fees and commission</b> .....	1,413	2,575	1,216	2,889
Income from associates.....	NA	592	NA	(26)
Net income from non-trading financial assets and liabilities at fair value through profit and loss .....	NA	(226)	NA	(1,155)
Gains on available-for-sale financial assets ..	NA	138	NA	(51)
Other income .....	NA	742	NA	1,478
Other results.....	723	1,246	1,321	246
<b>Total Income</b> .....	6,468	11,867	6,422	11,652
Staff costs .....	2,362	3,869	2,266	4,290
Other administrative expenses .....	1,278	2,908	1,337	2,796
Depreciation and amortisation .....	266	527	257	525
<b>Operating expenses</b> .....	3,906	7,304	3,860	7,611
Value adjustments.....	569	1,959	1,119	1,189
<b>Operating profit before taxation</b> .....	1,993	2,604	1,443	2,852
Taxation.....	332	316	127	98
<b>Net profit</b> .....	1,661	2,288	1,316	2,754
Of which attributable to Rabobank Nederland and local Rabobanks.....	1,198	1,475	938	2,089
Of which attributable to holders of Rabobank Member Certificates .....	151	318	160	316
Of which attributable to Capital Securities ..	240	308	96	94
Of which attributable to Trust Preferred Securities III to VI .....	36	78	45	100
Of which attributable to non-controlling interests.....	36	109	77	155
<b>Net profit for the period</b> .....	1,661	2,288	1,316	2,754

## Financial ratios

	<b>2010-1</b>	<b>2009</b>	<b>2008</b>
BIS ratio .....	15.3%	14.1%	13.0%
Tier 1 ratio .....	14.9%	13.8%	12.7%
Equity capital ratio <sup>(1)</sup> .....	13.5%	12.5%	11.6%
Bad debt costs (in basis points of average lending) .....	27	48	31

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Note:

- (1) The equity capital ratio is calculated by dividing retained earnings and Rabobank Member Certificates by risk-weighted assets.

## RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (“**BRMC-RG**”) in cooperation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments and advising the Executive Board on all relevant issues regarding risk management. Rabobank Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management departments. These two committees report to the Executive Board, which is ultimately responsible for risk management within Rabobank Group.

The principal risks faced by Rabobank Group are credit risk, country risk, interest rate risk, liquidity risk, market risk and operational risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also “*Risk Factors*”.

### ***Risk Adjusted Return On Capital***

Relating the profit achieved on a certain activity to the capital required for that activity produces the Risk Adjusted Return On Capital (“**RAROC**”). RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across Rabobank Group’s business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group’s activities also plays a significant part in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the six months ended 30 June 2010, Rabobank realised a RAROC after tax of 15.0 per cent.

### **Credit risk**

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. At 30 June 2010, 46 per cent. of Rabobank Group’s credit loan portfolio to the private sector consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 54 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

With respect to the management of Rabobank Group’s exposure to credit risk, Rabobank Nederland’s Credit Risk Management department and Group Risk Management department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group’s credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

Rabobank Group uses the Advanced IRB approach for credit risk. This is the most risk-sensitive form of the Basel II Credit Risk approaches. Rabobank Group has professionalised its risk management even further by combining Basel II compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are EAD (Exposure At Default), PD (Probability of Default) and LGD (Loss Given Default). It is partly on the basis of these parameters that Rabobank Group determines the economic capital and the RAROC. These Basel II parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the Basel II parameters and RAROC support credit analysts and the Policy Credit Committees in making well-considered decisions. Every group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

EAD is an estimate of the extent to which a bank may be exposed in the event of, and at the time of, a counterparty's default. At 30 June 2010, the EAD of the total Advanced IRB loan portfolio was € 537 billion (year-end 2009: € 501 billion). This EAD includes the future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty's PD over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, varying from payment arrears of 90 days to bankruptcy. The weighted average PD of the total Advanced IRB loan portfolio is 1.29 per cent. (year-end 2009: 1.34 per cent.).

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) of 31 December 2009, 2008 and 2007 per business unit as a percentage of private sector loans:

***Impaired loans/private sector lending per business unit***

	<b>At 31 December</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<i>(in percentages)</i>			
Domestic retail banking .....	1.55	1.05	0.79
Wholesale and international retail banking .....	4.19	3.48	1.53
Leasing .....	4.64	1.95	1.91
Rabobank Group .....	2.28	1.65	0.97

***Bad and doubtful debt***

Once a loan has been granted, ongoing credit management takes place assessing new information, both financial and non-financial. The bank monitors if the client meets all its obligations and to what extent it can be expected that the client will continue to do so. If the latter is not the case, credit management will be intensified with a higher monitoring frequency and stricter monitoring of all conditions agreed upon. Guidance is provided by a special unit within Rabobank Group, particularly in the case of larger and more complex loans granted to companies in difficulties. If it is probable that the debtor will be unable to fulfil all its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income.

The table below sets forth Rabobank Group's bad debt costs for the six months ended 30 June 2010 and the three years ended 31 December 2009, 2008 and 2007, per business unit as a percentage of private sector lending:

***Bad debt costs/average private sector lending per business unit***

	Six months ended 30 June	Year ended 31 December		
	2010	2009	2008	2007
<i>(in percentages)</i>				
Domestic retail.....	0.13	0.26	0.08	0.06
Wholesale and international retail banking..	0.55	1.05	0.93	0.02
Leasing .....	1.02	1.32	0.56	0.52
Rabobank Group.....	0.27	0.48	0.31	0.08

In determining the bad debt costs, corporate loans are assessed on a loan-by-loan basis and the following factors are considered:

- the financial standing of the customer, including a realistic assessment of the likelihood of repayment of the loan within an acceptable period and the extent of Rabobank Group's commitments to the customer;
- the realisable value of any collateral (security) for the loan; and
- the costs associated with obtaining repayment and realisation of any security.

***Structured credit***

Rabobank Group's trading and investment portfolios have limited direct exposure to more structured investments, which amounts to € 8.0 billion, the majority of which is AAA-rated. Due to the further deterioration of not only the U.S. housing market, but also the corporate market, related investments have been impaired and the resulting loss charged to profit. For the year ended 31 December 2009 this amounted to a post-tax loss of € 267 million. An additional provision of € 30 million after tax was made for a liquidity facility granted by Rabobank which was partly secured on subprime-related assets.

At 30 June 2010, the structured credit exposure stood at € 7.6 billion.

***Monoline insurers***

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. There was a further deterioration in the creditworthiness of a number of monoline insurers in 2009, which was reflected in the further downgrading of ratings of these institutions. Counterparty risk relating to these monoline insurers arises in case the value of the credit default swaps with these counterparties increases, due to a decrease of the fair value of the underlying investments, or because other insured investments can lead to payment claims against these insurers. In this the credit quality of the investments and time-related aspects are taken into account.

At 31 December 2009, the total counterparty risk before provisions amounted to € 1,321 million. For the year ended 31 December 2009, the total provisions were increased to € 1,138 million, partly as a result of the scaling down of the portfolio and the formation of an additional provision, which had an impact on earnings

of € 196 million after tax. As a consequence, the remaining counterparty risk at 31 December 2009 amounted to € 183 million.

At 30 June 2010, the total counterparty risk before provisions amounted to € 1,347 million. At 30 June 2010, the total provision stood at € 1,167 million, therefore the remaining counterparty risk amounts to € 180 million. Partly due to the cautious economic recovery, only limited additional provisions needed to be formed, with a negative impact on net result of € 8 million after taxes for the six months ended 30 June 2010.

## **Country risk**

Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

Transfer limits are determined according to the net transfer risk, which is defined as total loans granted, less loans granted in local currency, less guarantees and other collateral obtained to cover transfer risk, and less a reduced weighting of specific products. The limits are allocated to the offices, which are themselves responsible for the day-to-day monitoring of the loans granted by them and for reporting on this to Group Risk Management.

At Rabobank Group level, the country risk outstanding, including additional capital requirements and provisions for country risks, is reported every quarter to Rabobank Group's Balance Sheet and Risk Management Committee Rabobank Group (the "**BRMC-RG**") and the Country Limit Committee. The calculations of additional capital requirements and provisions for country risk are made in accordance with internal guidelines and concerns countries with a high transfer risk.

At 31 December 2009, the net transfer risk before provisions for non-OECD countries was 1.3 per cent. (2008: 1.2 per cent.).

## **Interest rate risk**

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group manages interest rate risk by using both the accrual based Income at Risk concept and the value based Equity at Risk concept. Based on the Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to the Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of the interest income for changes in interest rates. This Income at Risk ("**IatR**") represents the change in interest income for the coming 24 months, due to parallel increases/decreases in interest rates of 200 basis points, assuming a stable balance sheet and no management intervention. In this interest rate scenario a gradual increase/decrease of 200 basis points is assumed during the first year, while during the second year interest rates are assumed to remain stable.

Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of Equity at Risk ("**EatR**"), which is the sensitivity of Rabobank Group's market value of equity to an instant parallel change in interest rates of 200 basis points.

At 31 December 2009, the IatR and EatR for Rabobank Group were as follows:



	<b>200 basis points increase</b>	<b>200 basis points decrease</b>
<i>(in millions of euro, except percentages)</i>		
IatR 1-12 months.....	129	(83)
IatR 13-24 months.....	379	(363)
EatR.....	(10%)	12%

Rabobank Group performs complementary scenario analyses to assess the impact of changes in customer behaviour and the economic environment.

### **Liquidity risk**

Liquidity risk is the risk that the bank is not able to meet its financial liabilities when due, as well as the risk that it is unable to fund increases in assets either at reasonable prices or at all. Rabobank Group policy is that long-term lending is financed by funding from customers or by long-term funding from the professional market. Liquidity risk management is based on three pillars.

The first pillar sets strict limits on the maximum outgoing cash flows of the wholesale banking division. This ensures that excessive dependence on the professional market is avoided. To this end, the incoming and outgoing cash flows over the next 30 days are calculated and reported on a daily basis, including any conduits. In addition, limits have been set on the outgoing cash flows per currency and location. Detailed contingency plans have been drawn up in order to ensure the bank is prepared for potential crises.

Under the second pillar, a large buffer of liquid assets is held. If necessary, these assets can be used to generate liquidity immediately, either by being used in repo transactions, being sold directly on the market, or by means of pledging them to central banks.

The third pillar is to limit liquidity risk by pursuing a prudent funding policy that is designed to ensure that the financing requirements of group entities are met at an acceptable cost. The diversification of funding sources and currencies, the flexibility of the funding instruments used and an active investor relations function play an important role in this context. This prevents Rabobank Group from becoming overly dependent on a single source of funding.

Liquidity risk is an organisation-wide matter and is managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets. Several methods have been developed to measure and manage liquidity risk. Methods used to measure liquidity risk include the CA/CL method (Core Assets/Core Liabilities). Using various time periods, a quantification is made of the assets, unused facilities and liabilities that are expected to remain on the balance sheet after assumed and closely defined stress scenarios have occurred. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities, respectively, and their inter-relationship is the liquidity ratio. A ratio below 1.2 is considered adequate and in 2009 this was the case for the scenarios used. The Dutch regulator also provides extensive guidelines for measuring and reporting the liquidity position of Rabobank Group. According to these guidelines the liquidity position is more than adequate, with available liquidity exceeding the requirement by 28 per cent. on average.

The liquidity ratio was also below the 1.2 mark in the scenarios used in the first half of 2010.

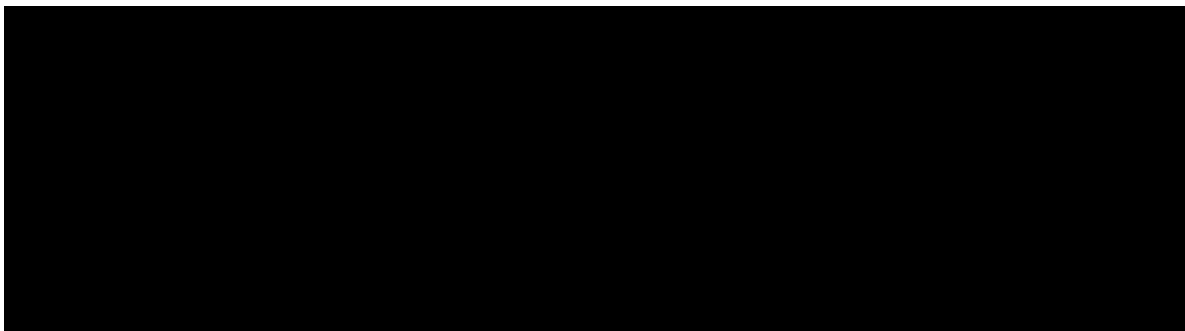
Outstanding asset-backed commercial paper (“**ABCP**”) amounted to € 17.2 billion (year-end 2009: € 15.3 billion) at 30 June 2010. These conduits are mainly used for funding of own originated loans and customer loans and receivables, and are fully integrated in the Group’s liquidity risk management framework.

### **Market risk**

Market risk relates to the change in value of Rabobank Group’s trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors Rabobank Group’s worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the Dutch Central Bank. Rabobank Group’s risk models are based on the Value at Risk concept. Value at Risk describes the maximum possible loss that Rabobank Group can suffer in a single day, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These event risk scenarios measure the effect of sharp and sudden changes in market prices. Statistical models are also used to generate other risk measures which assist the Market Risk department, as well as the BRMC-RG in evaluating Rabobank Group’s market positions.

For the year ended 31 December 2009, the Value at Risk fluctuated between € 23 million (2008: € 31 million) and € 50 million (2008: € 58 million), with an average of € 32 million (2008: € 39 million). As a result of a decrease of volatility on the financial markets, the Value at Risk decreased compared to 2008.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally and to the regulator. Also, in addition to Value at Risk, other risk indicators are used for market risk management.



Source: Rabobank Group Annual Report 2009

### **Operational risk**

Operational risk is the risk of direct or indirect losses arising from deficiencies in procedures and systems and from human failures or from external events. Rabobank Group has a Group-wide operational risk policy. Decentralised procedures are set up at all entities to record operational incidents and report them on a quarterly basis to the central Operational Risk department. In addition, sophisticated instruments are made available to enable robust operational risk management within each Rabobank Group entity. The management

of each Rabobank Group entity is responsible for developing policies and procedures to manage operational risks in line with Rabobank Group Operational Risk Management policy.

## GOVERNANCE OF RABOBANK GROUP

### Corporate governance

In recent years the corporate governance of organisations has been of particular public interest. On account of its cooperative organisation, Rabobank's corporate governance is characterised by a robust system of checks and balances. As a result, this governance is in many respects even stricter than in listed enterprises. The members of the independent, cooperative local Rabobanks exercise influence at a local level. As members of Rabobank Nederland, the local Rabobanks in turn play a very important part in the policy-making within Rabobank's organisation. For example, a distinguishing feature in Rabobank Group's governance is the Central Delegates Assembly, Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in virtually all Rabobank Nederland's strategic decisions.

Although the Dutch Corporate Governance Code does not apply to the cooperative as a legal form of enterprise, Rabobank Nederland's corporate governance is broadly consistent with this code. Rabobank also endorsed the Banking Code, which was adopted in 2009 by the Netherlands Bankers' Association.

### Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship among risk, return and equity. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy with the associated risk profile, its results, the social aspects of its business and their relevance to the enterprise, the synergy within Rabobank Group, compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. The Executive Board reports on all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank Nederland, the Central Delegates Assembly and the General Meeting (*algemene vergadering*) of Rabobank Nederland, which is formed by the members, i.e. the local Rabobanks.

The Financial Supervision Act and related subordinate legislation, as well as regulations imposed by the Dutch supervisory authorities have formulated standards for financial institutions. The supervision of Rabobank Nederland's solvency and stability – i.e. prudential supervision – is performed by DNB, while the AFM supervises orderly and transparent market processes, sound relationships between market parties and conscientious customer treatment, i.e. conduct supervision. Obviously, these regulations form the framework for the organisation and control of Rabobank Group's activities.

The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Committee on Confidential Matters of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

## **Supervisory Board**

The Supervisory Board performs the supervisory role within Rabobank Nederland. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank Nederland and its affiliated entities. As part thereof, the Supervisory Board monitors compliance with the law, the articles of association and other relevant rules and regulations. In practice, this means that the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

The Supervisory Board has five committees: the Audit & Compliance Committee, the Cooperative Issues Committee, the Appointments Committee, the Remuneration Committee and the Appeals Committee. These committees perform preparatory and advisory work for the Supervisory Board.

In the performance of their duties, the members of the Supervisory Board act in the interests of all stakeholders of Rabobank Nederland and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Meeting of Rabobank Nederland on the recommendation of the Supervisory Board. However, the Executive Board, as well as Rabobank Nederland's Works Council and the General Meeting are each entitled to nominate individuals for consideration by the Supervisory Board. The independence of the individual members, among other factors, is an important consideration for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank Nederland and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the Supervisory Board is drawn up in consultation with the Committee on Confidential Matters of the Central Delegates Assembly and is adopted by the General Meeting. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment.

The Committee on Confidential Matters of the Central Delegates Assembly determines the remuneration of the Supervisory Board members and also has a say in the profile of the members of the Supervisory Board.

The Supervisory Board, headed by its Chairman, continually assesses its own performance, both as a collective body and in terms of its separate committees and individual members. Initiatives are developed regularly to keep Supervisory Board members abreast of developments or to increase their knowledge in various areas.

## **Member influence**

As a cooperative, Rabobank has members, not ordinary shareholders like companies do. The local cooperative Rabobanks are members of the Rabobank Nederland cooperative and hence have an important role in the working of Rabobank Nederland's governance. In that context, a key element is the open and transparent culture, with clear accountability for the management and supervision and the assessment thereof. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. The local Rabobanks can vote at the General Meeting according to a formula that is adjusted periodically by the Executive Board, and through indirect representation at the Central Delegates Assembly.

## Central Delegates Assembly

The local Rabobanks are organised geographically in 12 Regional Delegates Assemblies, each with a board of six members. Together the Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*Centrale Kringvergadering*) (“CKV”), which meets at least four times a year in the city of Utrecht. Prior to the CKV, the banks belonging to a particular Regional Delegates Assembly discuss the agenda at their Assembly. Thus, the members of the local Rabobanks, through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, are represented in the CKV, although without instructions or consultations. The majority of the Boards of the Regional Delegates Assemblies and thereby the CKV consists of individuals elected by the local members, who from their commitment to the Rabobank organisation wish to fulfil this role.

The CKV’s powers include the establishment of rules that are binding on all local Rabobanks and the establishment of Rabobank’s strategy. This strategy describes the principles for the Executive Board’s policies and thereby directly influences Rabobank Group’s policy. The CKV also approves the budget for Rabobank Nederland’s activities on behalf of the local Rabobanks. The CKV has in-depth discussions, which are held not only as part of the CKV’s specific duties and powers, but also with the aim of encouraging commitment in the local Rabobanks and consensus between the local Rabobanks and Rabobank Nederland. Finally, the CKV advises the local Rabobanks on all the items on the agenda pertaining to the General Meeting.

The manner in which Rabobank Nederland accounts for its policy to its members in the CKV is considerably more extensive than the account rendered by a typical listed public company to its shareholders. Because of the special relationship between Rabobank Nederland and its members, the CKV enjoys almost full attendance. In order to operate effectively, the CKV has appointed three committees from among its members, which are charged with special duties. The Committee on Confidential Matters advises on appointments in the Supervisory Board, sets the Supervisory Board’s remuneration and assesses the Supervisory Board’s application of the remuneration policy. The Coordinating Committee draws up the agenda of the CKV and subjects items for the agenda to formality compliance tests. The Emergency Affairs Committee advises the Executive Board on behalf of the CKV in urgent, price-sensitive and/or confidential cases concerning major investments or divestments.

In order to maintain maximum effectiveness of the CKV, an internal committee was established in 2006 whose task was to advise on the CKV’s desired future size and composition. The committee’s recommendations included the following: to reduce the CKV membership from 120 to 72, to introduce observers in the CKV and to confirm the CKV’s composition according to the ratio of “2 elected members to 1 appointed member”. These recommendations have been implemented.

## General Meeting

The General Meeting (*algemene vergadering*) is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations, and the appointment of members of the Supervisory Board. The CKV issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

## **Local Rabobanks**

### **Corporate governance at the local Rabobanks**

Currently there are three governance models for the local Rabobanks: the Partnership model, the Executive model and the most recent Rabo model. Effective member influence and control are similarly assured in this most recent new governance model (i.e. the Rabo model) and the governance of the local Rabobanks will be carried out both adequately and professionally, and in a way that befits their cooperative culture. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the articles of association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. Account is rendered to the members in respect of the local Rabobank's management and supervision.

### **Partnership model**

In the Partnership model, the Board of each local Rabobank consists of persons elected by the members from their ranks, plus a managing director who is appointed by the Supervisory Board. The managing director is primarily concerned with the day-to-day management of the bank's operations. The Supervisory Board supervises the Board.

### **Executive model**

In the executive model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. In this model, no Board members are elected by the members from their ranks, as is the case in the partnership model.

### **Rabo model**

The governance structure of the Rabo model is comparable to the governance structure of the Executive model. In this model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board and which operates under the supervision of the Supervisory Board. A delegation of the members (*de ledenraad*) has important powers, such as to appoint the members of the Supervisory Board, to amend the articles of association, to approve of a merger and to adopt the financial statements. Each member of a local Rabobank belongs to an electoral district and has the power to vote for a candidate of that electoral district as a member of the delegation of members (*de ledenraad*). From mid-2010, the Rabo model will start to replace the Partnership model and the Executive model.

### **Member council**

Local Rabobanks using the executive model must institute a member council in order to firmly and permanently embed member influence and control in the structure. An increasing number of banks using the partnership model have established a member council as well. The member council is a delegation of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

### **Employee influence within Rabobank Group**

Rabobank attaches great value to consultations with the various employee representative bodies. Employee influence within Rabobank Group has been enabled at various levels. Issues concerning the business of Rabobank Nederland are handled by Rabobank Nederland's Works Council. Subsidiaries such as Robeco, De Lage Landen, Orbay and Rabo Real Estate Group each have their own Works Councils with consultative powers on matters concerning these enterprises. In addition, each local Rabobank has its own Works Council to discuss matters concerning that particular local Rabobank. The Group Works Council of Member Banks ("GOR AB") is a cooperative-structure based employee representative body that represents the interests of

the employees of the local Rabobanks on issues that concern all the local Rabobanks or a majority thereof. In the case of a proposed decision, as defined in the Dutch Works Councils Act, that affects the majority of the local Rabobanks, it is submitted for approval or advice to the GOR AB. In the case of a proposed decision that does not affect the majority of all local Rabobanks, the GOR AB does not interfere with the position of the Works Councils of the local Rabobanks. Rabobank Group also has an employee representative body at a European level, the European Working Group (“EWG”), in which employees of Rabobank offices from the EC Member States are represented. The EWG holds discussions with the Executive Board at least twice a year about developments within Rabobank Group. This does not affect the role of the national employee representative bodies.

### **Dutch Corporate Governance Code**

Although it is under no obligation to do so due to its cooperative structure, Rabobank Nederland complies with the Dutch Corporate Governance Code on a voluntary basis.

Partly because of its cooperative structure, Rabobank Nederland departs in some respects from the Dutch Corporate Governance Code.

### **Banking Code**

On 9 September 2009, the Banking Code for Dutch banks was adopted as binding by the Board of the Netherlands Bankers’ Association, in response to the report entitled “Restoring Trust” (*Naar herstel van vertrouwen*) of the Advisory Committee on the Future of Banks in the Netherlands. Although the Banking Code did not come into force until 1 January 2010, Rabobank commenced compliance preparations in 2009. Rabobank intends to comply fully with the Banking Code and expects only very few departures from compliance, which will be justified according to the “comply or explain” principle.

### **Controls over financial reporting**

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, with the aim of achieving an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading standards across the globe. Accordingly, Rabobank Group voluntarily implemented internal controls over its financial reporting in a manner similar to that of US-registered companies pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight. Rabobank Group believes that internal controls over financial reporting increase the effectiveness of such reporting, and offer opportunities to identify and remedy any deficiencies at an early stage. This results in a higher quality of Rabobank Group’s financial reporting process.

### **Internal controls**

Rabobank Group uses internal controls to provide reasonable assurance that:

- transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and that receipts and expenditures are recognised only in accordance with authorisations of management; and
- unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements, is prevented or detected.

Rabobank Group’s internal control framework is based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”). As set out in the report included in the financial statements, the Executive Board concluded that the internal risk management and control systems



are adequate and effective and provide reasonable assurance that the financial reporting is free of material misstatement.

## Members of Supervisory Board and Executive Board

### Supervisory Board of Rabobank Nederland

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

Name	Born	Year Appointed <sup>(1)</sup>	Term Expires	Nationality
Lense (L.) Koopmans, Chairman.....	1943	2002	2013	Dutch
Antoon (A.J.A.M.) Vermeer, Vice-Chairman .....	1949	2002	2010	Dutch
Irene (I.P.) Asscher-Vonk.....	1944	2009	2013	Dutch
Bernard (B.) Bijvoet .....	1940	2002	2012	Dutch
Tom (A.) de Bruijn .....	1953	2009	2013	Dutch
Wout (W.) Dekker .....	1956	2010	2014	Dutch
Louise (L.O.) Fresco.....	1952	2006	2010	Dutch
Leo (S.J.L.J) Graafsma .....	1949	2010		Dutch
Erik (E.A.J.) van de Merwe .....	1950	2010	2014	Dutch
Marinus (M.) Minderhoud .....	1946	2002	2011	Dutch
Martin (M.J.M.) Tielen.....	1942	2002	2013	Dutch
Cees (C.P.) Veerman .....	1949	2007	2011	Dutch
Arnold (A.H.C.M.) Walravens .....	1940	2004	2011	Dutch

Note:

- (1) As a result of a 2002 amendment of the management organisation of Rabobank Nederland, the former supervisory council was replaced by the Supervisory Board, as a result of which the appointment date for a number of supervisory directors was fixed at 2002 even though they had been previously on the supervisory council.

### Mr L. Koopmans (Lense)

Date of Birth	17 June 1943
Profession	Professional supervisory director Emeritus Professor at the University of Groningen
Main positions	Chairman of the Supervisory Board of Rabobank Nederland Chairman of the Board of Directors of Stichting TBI
Nationality	Dutch
Additional positions	Supervisory Directorships: – Chairman of the Supervisory Board of Siers Groep B.V. – Chairman of the Supervisory Board of Arriva Nederland

	B.V.
	– Chairman of the Supervisory Board of TSS B.V.
	– Vice-Chairman of the Supervisory Board of KIWA N.V.
	– Member of the Supervisory Board of NOM N.V.
Other additional positions	– Member of the Board of Directors of Stichting Administratiekantoor Unilever N.V.
	– Vice-Chairman of the Board of Supervision of the University Medical Center, Groningen
	– Chairman of the Board of Supervision of the Fries Museum en Prinsessehof
Date of first appointment to the Supervisory Board	June 2002 (Member of the Board of Directors from June 1996 until June 2002)
Current term of appointment to the Supervisory Board	June 2009 – June 2013
<b>Mr A.J.A.M. Vermeer (Antoon)</b>	
Date of Birth	21 October 1949
Profession	Professional director
Main positions	Member of a dairy farming partnership ( <i>maatschap melkveehouderijbedrijf</i> )
Nationality	Dutch
Additional positions	Supervisory Directorships:
	– Vice-Chairman of the Supervisory Board of Rabobank Nederland
	– Chairman of the Supervisory Board of VION N.V.
	– Member of the Supervisory Board of Eureko B.V.
Other additional positions	– Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University
	– Chairman of the Board of Supervision of HAS Den Bosch
	– Chairman of the Council for the Rural Area ( <i>Raad voor het Landelijk Gebied</i> )
Date of first appointment to the Supervisory Board	June 2002
Current term of appointment to the Supervisory Board	June 2007 – to be decided (June 2014 at the latest)

**Mrs I.P. Asscher-Vonk (Irene)**

Date of Birth	5 September 1944
Profession	Professional supervisory director
Main position	None
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"><li>– Member of the Supervisory Board of Rabobank Nederland</li><li>– Member of the Supervisory Board of KLM</li><li>– Member of the Supervisory Board of Arriva Nederland</li><li>– Member of the Supervisory Board of Philip Morris Holland</li><li>– Member of the Supervisory Board of TBI</li></ul>
Other additional positions	<ul style="list-style-type: none"><li>– Chairman of the Episcopal Court (<i>Bisschoppelijk Scheidsgerecht</i>)</li><li>– Chairman of the National Arbitration Board for Schools (<i>Landelijke Geschillencommissie Scholen</i>)</li></ul>
Date of first appointment to the Supervisory Board	June 2009
Current term of appointment to the Supervisory Board	June 2009 – June 2013

**Mr B. Bijvoet (Bernard)**

Date of Birth	12 April 1940
Profession	Professional supervisory director
Main position	None
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"><li>– Member of the Supervisory Board of Rabobank Nederland</li><li>– Member of the Supervisory Board of Eureko B.V.</li><li>– Chairman of the Supervisory Board of AH Kaascentrale B.V.</li></ul>
Date of first appointment to the Supervisory Board	June 2002
Current term of appointment to the Supervisory Board	June 2008 – June 2012

**Mr A. de Bruijn (Tom)**

Date of Birth	9 July 1953
Profession	Entrepreneur Professional director / professional supervisory director
Main position	Grower of cut flowers and potted plants
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"><li>– Member of the Supervisory Board of Rabobank Nederland</li></ul>
Other additional positions	<ul style="list-style-type: none"><li>– Acting member of the Board of Directors of Vereniging Achmea</li><li>– Chairman of the Program Advisory Committee Greenhouse Farming Research (<i>Commodity Board for Horticulture / productschap tuinbouw</i>)</li><li>– Member of the Board of the Dutch Foundation for Innovation in Greenhouse Farming (<i>Stichting Innovatie Glastuinbouw Nederland</i>)</li><li>– Chairman of the Cooperative Growers Society FresQ (<i>Coöperatieve Telersvereniging</i>)</li></ul>
Date of first appointment to the Supervisory Board	June 2009
Current term of appointment to the Supervisory Board	June 2009 – June 2013

**Mr W. Dekker (Wout)**

Date of Birth	10 November 1956
Profession	Professional director
Main position	Chief Executive Officer / Chairman of the Executive Board of Nutreco Holding N.V.
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"><li>– Member of the Supervisory Board of Rabobank Nederland</li><li>– Member of the Supervisory Board (and member of the audit committee) of Macintosh Retail Group N.V.</li></ul>
Other additional positions	<ul style="list-style-type: none"><li>– Member of the Advisory Council for Issuers Euronext Amsterdam</li><li>– Member of the Taskforce Biodiversity and Natural Resources</li></ul>

Date of first appointment to the Supervisory Board	2010
Current term of appointment to the Supervisory Board	June 2010 – to be decided (June 2014 at the latest)
<b>Mrs L.O. Fresco (Louise)</b>	
Date of Birth	11 February 1952
Profession	Professional director Professor
Main positions	University Professor, University of Amsterdam Distinguished Professor at Wageningen University
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Non-executive Director of Unilever N.V./Unilever PLC</li> </ul>
Other additional positions	<ul style="list-style-type: none"> <li>– Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER)</li> <li>– Distinguished Professor at Wageningen University</li> <li>– Member of the Recommendation Committee for the University Asylum Fund</li> <li>– Vice-chairman of the Board of Supervision of the United Nations University in Tokyo</li> <li>– Member of the Royal Holland Society of Sciences and Humanities</li> <li>– Member of the Royal Netherlands Academy of Arts and Sciences</li> <li>– Member of the Spanish Academy of Engineering Sciences</li> <li>– Member of the Swedish Academy of Agricultural and Forestry Sciences</li> <li>– Vice-Chairman of the Board of Supervision of the United Nations University in Tokyo</li> <li>– Correspondent member of the Real Academia de Ingenieria in Madrid</li> <li>– Member of the Advisory Board of Wereldvoedselprijs</li> <li>– Member of the Board of Erasmusprijs</li> <li>– Member of the Board of the Concertgebouworkest</li> <li>– Member of the former Delta Committee</li> </ul>

	<ul style="list-style-type: none"> <li>– Member of the Trilateral Committee</li> <li>– Columnist for the NRC Handelsblad</li> </ul>
Date of first appointment to the Supervisory Board	June 2006
Current term of appointment to the Supervisory Board	June 2006 – to be decided (June 2014 at the latest)

**Mr S.L.J. Graafsma RA (Leo)**

Date of Birth	29 March 1949
Former profession	Accountant/associate of an audit, tax and advisory firm
Former main positions	<ul style="list-style-type: none"> <li>– Associate KPMG, engaged in various audit activities (1985 – 2008)</li> <li>– Accountant KPMG (1977 - 1984)</li> <li>– Assistant accountant Klynveld Kraayenhof &amp; Co. taken over by KPMG (1968 – 1976)</li> </ul>
Nationality	Dutch
Additional position	<ul style="list-style-type: none"> <li>– Deputy member of the ‘Accountantskamer’ (Chamber of accountants) resulting from the ‘Wet Tuchtrechtspraak Accountants’ (Disciplinary jurisdiction accountants)</li> </ul>
Former additional position	<ul style="list-style-type: none"> <li>– Member fact-finding committee DSB Bank/“commissie Scheltema” (till June 2010)</li> <li>– Co-author “Vreemde valuta in de financiële verslaggeving” (Foreign Exchange Accounting)</li> <li>– Co-author ‘Jaarboek Externe Verslaggeving’ (Yearbook Financial Reporting)</li> <li>– Author of various articles in the field of financial instruments and foreign exchange</li> </ul>

**Mr E.A.J. van de Merwe (Erik)**

Date of Birth	30 December 1950
Profession	<ul style="list-style-type: none"> <li>– Advisor</li> <li>– Professional director / professional supervisory director</li> </ul>
Nationality	Dutch
Additional positions	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Chairman of the Supervisory Board of Fornix Biosciences N.V.</li> <li>– Chairman of the Supervisory Board (and audit</li> </ul>

	committee) of Staalbankiers N.V.
	– Chairman of the Supervisory Board (and audit committee) of Achmea Bank Holding N.V.
	– Chairman of the Supervisory Board of Welke Beheer N.V.
	– Member of the Supervisory Board (and Chairman of the audit committee) of Eureko B.V.
Other additional positions	<ul style="list-style-type: none"> <li>– Non-executive Chairman of GWK Travelex N.V.</li> <li>– Member of the Board of Directors of Vereniging Achmea</li> <li>– Member of the Board of Governors of the postgraduate study Corporate Compliance at VU University Amsterdam</li> <li>– Member Board of the Supervision and Chairman audit committee of the Dutch Burns Foundation (<i>Nederlandse Brandwonden Stichting</i>)</li> <li>– Member of the Advisory Council of the Euro Tissue Bank</li> <li>– Member of the Advisory Council of the Dutch Institute of Internal Auditors (IIA)</li> <li>– Member of the Arbitration committee of the Dutch Securities Institute (DSI)</li> <li>– Jury member for the Sijthoff Award</li> </ul>
Date of first appointment to the Supervisory Board	2010
Current term of appointment to the Supervisory Board	June 2010 – to be decided (June 2014 at the latest)

**Mr M. Minderhoud (Marinus)**

Date of Birth	13 September 1946
Profession	None
Main position	None
Nationality	Dutch
Additional Positions	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Vice-Chairman of the Supervisory Board of Eureko B.V.</li> <li>– Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V.</li> <li>– Chairman of Vodafone International Holdings B.V.</li> </ul>

– Chairman of Vodafone Europe B.V.  
Date of first appointment to the Supervisory Board June 2002

Current term of appointment to the Supervisory Board June 2007 – June 2011

**Mr M. J.M. Tielen (Martin)**

Date of Birth 22 September 1942

Profession Professor

Main position Emeritus Professor at Utrecht University

Nationality Dutch

Additional positions Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland

Other additional positions

- Chairman of the Evaluation Team of EAEVE to the Faculty of Veterinary Medicine, Afyon, Turkey
- Member of the Executive Board and Treasurer of the International Society for Animal Hygiene (ISAH)
- Chairman of the Stichting Stimulering Agrarisch Onderwijs en Praktijk
- Chairman of the Stichting Professor Tielen Fonds
- Acting member of the Board of Directors of Vereniging Achmea
- Professor *Honoris Causa* at the University of Environmental and Life Science in Wroclaw, Poland

Date of first appointment to the Supervisory Board June 2002

Current term of appointment to the Supervisory Board June 2009 – June 2013

**Mr C.P. Veerman (Cees)**

Date of Birth 8 March 1949

Profession Professor

Main positions Professional director / supervisory director

CEO of Bracamonte B.V. in Groesbeek

Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective

Nationality Dutch



Additional positions	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Member of the Supervisory Board of USG People</li> <li>– Member of the Supervisory Board of Prominent</li> <li>– Member of the Supervisory Board of Clearwood B.V.</li> <li>– Member of the Supervisory Board of Barenbrug B.V.</li> <li>– Member of the Supervisory Board of Koninklijke Reesink N.V.</li> <li>– Member of the Supervisory Board of the Netherlands Genomics Initiative (until 1 January 2010)</li> <li>– Member of the Board of Supervision of the Knowledge for Climate research project (<i>Kennis voor Klimaat</i>)</li> <li>– Member of the Board of Supervision Deltares</li> <li>– Member of the Supervisory Board of KDS</li> <li>– Member of the Supervisory Board of Noord Zuid Lijn</li> <li>– Member of the Board of Management of NOW</li> </ul>
Other additional positions	<ul style="list-style-type: none"> <li>– Chairman of the Deltacommissie (2007)</li> <li>– Chairman of the Society for the Preservation of Nature Reserves in the Netherlands (<i>Vereniging Natuurmonumenten</i>)</li> <li>– Chairman of the Research Institute of Christian Democratic Appeal (CDA)</li> <li>– Chairman of Project Administration of Noord Zuidlijn</li> <li>– Chairman of the Board of Supervision of Roosevelt Academy</li> <li>– Chairman of the Review Committee of TI Pharma</li> <li>– Chairman of the Committee of Toekomstbestendig Hoger Onderwijs Stelsel</li> <li>– Chairman of the Advisory Board of Dutch Delta Academy</li> </ul>
Date of first appointment to the Supervisory Board	June 2007
Current term of appointment to the Supervisory Board	June 2007 – June 2011
<b>Mr A.H.C.M. Walravens (Arnold)</b>	
Date of Birth	4 May 1940
Profession	Adviser

Main positions	Chairman of the Supervisory Board of Eureko B.V. Emeritus Professor at Technical University Delft
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"> <li>– Member of the Supervisory Board of Rabobank Nederland</li> <li>– Chairman of the Supervisory Board of Achmea Re Luxembourg</li> <li>– Member of the Supervisory Board of OWM Molestrisico W.A.</li> <li>– Chairman of the Supervisory Board of Sneepe Industries B.V.</li> </ul>
Other additional positions	<ul style="list-style-type: none"> <li>– Vice-Chairman of the Board of Vereniging Achmea</li> <li>– Chairman of the Board of MBA Studies, IEDC, Bled School of Management, Slovenia</li> <li>– Member of the Senate of the International Executive Development Centre, Slovenia</li> <li>– Director/owner “Aan de Oude Delft”, Art and Auction Services</li> </ul>
Date of first appointment to the Supervisory Board	June 2004
Current term of appointment to the Supervisory Board	June 2007 – June 2011

#### **Executive Board of Rabobank Nederland**

<b>Name</b>	<b>Nationality</b>	<b>Born</b>	<b>Year Appointed</b>
Piet (P.W.) Moerland, Chairman .....	Dutch	1949	2009
Bert (A.) Bruggink, CFO .....	Dutch	1963	2004
Berry (B.J.) Marttin.....	Dutch and Brazilian	1965	2009
Sipko (S.N.) Schat.....	Dutch	1960	2006
Piet (P.J.A.) van Schijndel.....	Dutch	1950	2002
Gerlinde (A.G.) Silvis.....	Dutch	1959	2009

Piet (P W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland’s Executive Board as of 1 January 2003 and was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 July 2009. Mr. Moerland is responsible for Audit Rabobank Group and the Supervisory and Legal and Fiscal Affairs directorates. His portfolio furthermore includes the Knowledge and Economic Research, Communications and Corporate Social Responsibility directorates. After completing his degree and dissertation in the field of economics at the Erasmus University of Rotterdam in 1978, Mr. Moerland undertook a position with

Rabobank Nederland's Central Group Staff from 1979 to 1980. Mr. Moerland then took a position as a professor of business administration with a focus on economics at the University of Groningen from 1981 to 1987 and as a professor of business economics with a focus on corporate finance at the University of Tilburg from 1988 to 2002. Mr. Moerland also had a sponsored chair as a professor of corporate governance at the University of Tilburg. Within Rabobank Group, Mr. Moerland serves as a member of the Board of Directors of Rabobank Foundation. Outside Rabobank, Mr. Moerland serves as a member of the Supervisory Board of Essent N.V. (Electricity), member of the Advisory Board of the Dutch Order of Accountants and administration Consultants, member of the Board of Directors of the NVB (Association of Dutch Banks), chairman of the European Association of Co-operative Banks (*Groupement*) and Member of the Board of Directors International Raiffeisen Union (IRU).

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Administration Rabobank. Mr. Bruggink joined Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of Finance and Control, Rabobank International (1994-1998) and Group Finance Director, Rabobank Group (1998-2004). As CFO he fulfils several additional functions. He also works as a part-time professor in the Twente University of Technology (Financial Institutions and Markets). He is a member of the Advisory Council of Isala Klinieken, member of the Board of Supervisory Directors ROVA and member of the Supervisory Board of the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden (FMO). He is a member of the Dutch Banking Association Policy Committee of Supervision and Monetary Affairs and a member of the Policy Committee of the DNB/Dutch Banking Association Mixed Working Group. Mr. Bruggink serves as chairman of the Board of Rabobank Ledencertificaten N.V.

Berry (B.J.) Marttin: Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mr. Marttin joined Rabobank in 1990. Within the Executive Board, Mr. Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than 14 years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale and retail banking. After fulfilling a number of positions in Brazil, Mr. Marttin was appointed food and agri account manager in Curacao. He then continued his career as Head of International Corporates in Hong Kong. Mr. Marttin subsequently moved to Indonesia four years later to take up an appointment as Head of Risk Management. Thereafter, Mr. Marttin served as Deputy General Manager of Rural Banking in Australia and New Zealand. Prior to his appointment to Rabobank Nederland's Executive Board, he was Chairman of the Board of Directors of Rabobank Amsterdam. Mr. Marttin is a member of the Steering Committee, Unico Banking Group and member of the Board of Directors of the American Chambers of Commerce. Mr. Marttin serves as chairman of the Foundation Supervision Internal Market Rabo Extra Member Notes (*Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties*).

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as of 1 July 2006. Mr. Schat is responsible for the international wholesale business and is primarily responsible for Corporate Clients Large Businesses, Corporate Finance, Trade and Commodity Finance and Global Financial Markets. Mr. Schat took a position as in-house counsel with Rabobank Nederland between 1985 and 1990. Mr. Schat was senior manager, Structured Finance between 1990 and 1995, Head Corporate Finance of Rabobank Ireland plc between January 1994 and December 1994, Head of Structured Finance, Europe between 1995 and 1999 and Head of Corporate Finance of Rabobank International between 1999 and 2002. Mr. Schat also held positions as Head of Corporate Finance (worldwide), member of the Supervisory Board of Rabobank Ireland plc and Managing Director of Rabo Merchant Bank N.V. As of April 2002 he has been responsible for

North and South America and as of September 2004 he has been responsible for Corporate Finance, Trade Finance, Private Equity and Corporate Advisory. He is also a member of the Supervisory Board of De Lage Landen International, a member of the Supervisory Board of Rabo Vastgoedgroep and member of the Supervisory Board of Bank Sarasin & Cie AG.

Piet (P. J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. Mr. van Schijndel is responsible for the Retail, Private Banking and Group ICT directorates. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, as Vice-chairman of the Executive Board of Interpolis from 1990 to 1997 and as Chairman of the Executive Board of Interpolis from 1998 to 2002. Mr. van Schijndel serves as Chairman of the Supervisory Boards of Obvion, Rabohypotheekbank and Robeco and Chairman of the Supervisory Board of De Lage Landen. Furthermore, Mr. van Schijndel is a member of the Board of Directors of the NVB (Association of Dutch Banks), a member of the Board of the Nederlandse Rode Kruis, and a member of the Supervisory Board of St. Elisabeth Ziekenhuis Tilburg. He is also Chairman of the Supervisory Board of Orbay. Mr. van Schijndel serves as chairman of the Stichting Administratiekantoor Rabobank Ledencertificaten.

Gerlinde (A.G.) Silvis: Mrs. Silvis was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mrs. Silvis is responsible for the Small and Medium-Sized Enterprises, Company Management, Co-operative and Management Affairs and Human Resources directorates. Mrs. Silvis joined Rabobank in 1984. Having begun working for Rabobank Nederland as a management trainee, she then went on to hold a number of positions within the securities division, the international division, the payments division and Rabofacet. In her role as Head of Administrative Affairs, she was closely engaged in the process of merging local Rabobanks. In recent years, she has served as Head of the Management and Talent Development Directorate and has been responsible for merging the Human Resources and Management and Talent Development directorates into a single directorate providing integrated services for the entire Rabobank Group. Mrs. Silvis serves as chairman of the board of the Foundation Contingency Fund Rabobanken (*Stichting Garantiefonds Rabobanken*) and Chairman of the Board of the Foundation Supervision Internal Market Rabobank Member Certificates (*Stichting Toezicht Interne Markt Rabobank Ledencertificaten*).

#### **Administrative, management and supervisory bodies – conflicts of interests**

The Issuer is not aware of any potential conflicts of interest between the duties to Rabobank and their private interests or other duties of the persons listed above under "Supervisory Board of Rabobank Nederland" and "Executive Board of Rabobank Nederland".

#### **Administrative, management and supervisory bodies – business address**

The business address of the members of Rabobank's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

## REGULATION OF RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union (“EU”) legislation, which has a significant impact on the regulation of Rabobank Group’s banking, asset management and broker-dealer businesses in the EU, and the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

### Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the “**Basel Committee**”) develops international capital adequacy guidelines based on the relationship between a bank’s capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “**Basel guidelines**”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce an existing source of competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on 1 January 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. A new accord (“**Basel II**” – the previous Basel guidelines being referred to as “**Basel I**”) was published in June 2004. Basel II is a flexible framework that is more closely in line with internal risk control and that results in a more sophisticated credit risk weighting. The Basel II framework, consisting of three “pillars”, reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital (“**Pillar 1**”) and for supervisors to review such assessments to ensure banks have adequate capital to support their risks (“**Pillar 2**”). It also seeks to strengthen market discipline by enhancing transparency in banks’ financial reporting (“**Pillar 3**”).

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank’s actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks’ internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgement and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks’ public reporting.

Instead of the previous “one size fits all” approach, under Basel II banks have the option of choosing between various approaches, each with a different level of sophistication in risk management, ranging from simple, via intermediate, to advanced, giving banks the possibility of selecting the approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the “Standardised Approach”, the “Foundation Internal Ratings Based Approach” and the “Advanced Internal Ratings Based Approach”. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Probability of Default”. In addition to this component of credit risk, the “Advanced Internal Ratings Based Approach” allows banks to use their own credit rating systems with respect to the “Exposure at Default” and the “Loss Given Default”. Rabobank Group has chosen the most sophisticated approach, the Advanced Internal Ratings Based Approach.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the “Advanced Measurement Approach”. Rabobank Group has chosen the Advanced Measurement Approach.

### **European Union standards**

The European Union had adopted a capital adequacy regulation for credit institutions in all its EC Member States based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of 17 April 1989 on the “own funds” of credit institutions (the “**Own Funds Directive**”), defining qualifying capital (“**own funds**”), and the Council Directive of 18 December 1989 on a capital base ratio for credit institutions (the “**Capital Base Ratio Directive**” and, together with the Own Funds Directive, the “**Capital Directives**”), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required EC Member States to transform the provisions of the Capital Base Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the EC Member States. The Capital Directives permitted EC Member States, when transforming the Capital Directives into national law, to establish more stringent, but not more lenient, requirements. In 1993, the EC adopted the Directive of 15 March 1995 on the capital adequacy of investment firms and credit institutions (“**EEC Directive 1993/6**”) and in 2000 the Directive of 20 March 2000 on the taking up and pursuit of the Business of Credit Institutions (“**EC Directive 2000/12**”), which directive consolidated various previous directives, including the Capital Directives.

EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49, respectively (the “**Capital Requirements Directive**”), to introduce the new capital requirements framework agreed by the Basel Committee. The new rules on capital requirements reflect the flexible structure and the major components of Basel II, tailored to the specific features of the EU market. The simple and intermediate approaches of Basel II have been available from January 2007 and the most advanced approaches since January 2008.

The Capital Requirements Directive has been amended by a directive of 7 April 2009 and a directive of 27 July 2009. In addition, both of these directives have been amended by a directive of 16 September 2009. These three amendments aim to repair shortcomings identified in the Capital Requirements Directive. The amendments must be implemented in national laws and regulations of the EC Member States by 31 October 2010 and they will enter into force as of 31 December 2010, except where transitional arrangements have been made.

On 16 December 2002, the EU adopted a directive on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate. This directive aims to address the supervisory issues that arise from the blurring of distinctions between the activities of firms in each of the banking, securities, investment services and insurance sectors. The main objectives of the directive are to:

- ensure that a financial conglomerate has adequate capital;

- introduce methods for calculating a conglomerate's overall solvency position;
- deal with the issues of intra-group transactions, exposure to risk and the suitability and professionalism of management at financial conglomerate level; and
- prevent situations in which the same capital is used simultaneously as a buffer against risk in two or more entities which are members of the same financial conglomerate and where a parent issues debt and downstreams the proceeds as equity to its regulated subsidiaries.

The directive was implemented in the Netherlands in the Financial Supervision Act that came into effect on 1 January 2007.

Currently, both the Basel Committee and the European Commission are consulting on proposals to amend Basel II and amend further the Capital Requirements Directive, respectively, which are intended to result in changes to be phased in by the end of 2012. These proposals aim, among other things, to strengthen the capital base of banks.

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

## **Dutch regulation**

### ***General***

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

Pursuant to authority granted under the Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of Rabobank Group's activities. The Netherlands Authority for the Financial Markets supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act.

### ***Scope of the Financial Supervision Act***

A bank is any enterprise whose business it is to receive repayable funds from outside a closed circle and from others than professional market parties, and to grant credits for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the local Rabobanks, are banks and, because they are engaged in the securities business as well as the commercial banking business, each is considered a "universal bank".

### ***Licensing***

Under the Financial Supervision Act, a bank established in the Netherlands is required to obtain a licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the bank must have a minimum of its own funds (*eigen vermogen*) of € 5,000,000. Also, the Dutch Central Bank shall refuse to grant a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank, (ii) the trustworthiness of the persons who determine the policy of the bank is not beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such

enterprise or institution may be exercised which is contrary to “prudent banking policy” (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining it.

### ***Reporting and investigation***

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports.

Rabobank Nederland and the local Rabobanks must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the Dutch Central Bank. Rabobank Nederland’s independent auditor audits these reports annually.

### ***Supervision***

The Dutch Central Bank exercises supervision with respect to the solvency and liquidity of banks, supervision of the administrative organisation of banks and structure supervision relating to banks. To this end, the Dutch Central Bank has issued the following general regulations:

#### ***Solvency supervision***

The regulations of the Dutch Central Bank on solvency supervision require, in broad terms, that a bank maintains its own funds in an amount equal to at least 8 per cent. of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Financial Supervision Act, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under “Basel standards” above and as laid down in EU directives described above under “European Union standards”. For credit risk, Rabobank uses the Advanced Internal Ratings Based Approach. For operational risk, Rabobank uses the most refined approach, the Advanced Measurement Approach.

#### ***Liquidity supervision***

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against a bank’s “net” liabilities (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or a group of related debtors exceeds a certain limit.

#### ***Structure supervision***

The Financial Supervision Act provides that a bank must obtain a declaration of no objection from the Minister of Finance (or in certain cases from the Dutch Central Bank) before, among other things: (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code; (ii) acquiring or increasing a qualified holding in a regulated institution such as a bank or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase amounts to more than 1 per cent. of the bank’s consolidated balance sheet total; (iii) acquiring or increasing a “qualified holding” in an enterprise other than those mentioned under (ii) if the amount paid for the acquisition or the increase together with any amounts paid for prior acquisitions and prior increases exceeds 1 per cent. of the consolidated own funds of the bank; (iv) acquiring, directly or indirectly,



all or a substantial part of the assets and liabilities of another enterprise or institution if this amounts to more than 1 per cent. of the bank's consolidated balance sheet total; (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total; or (vi) proceeding to financial or corporate reorganisation. For the purposes of the Financial Supervision Act, "qualified holding" is defined to mean the holding, directly or indirectly, of an interest of at least 10 per cent. of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a Dutch bank, or to exercise any voting power in connection with such holding, only after such declaration of no objection has been obtained.

### ***Administrative supervision***

The Dutch Central Bank also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

### ***Emergencies***

The Financial Supervision Act contains an "emergency regulation" which can be declared in respect of a bank by a Dutch court at the request of the Dutch Central Bank in the interest of the combined creditors of the bank. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

## CAPITALISATION OF RABOBANK GROUP

The following table sets forth in summary form Rabobank Group's consolidated own funds and consolidated long-term and short-term debt securities at 31 December 2009 and at 31 December 2008:

	At 31 December	
	2009	2008
<i>(in millions of euro)</i>		
<b>Equity of Rabobank Nederland and local Rabobanks</b>		
Retained earnings and other reserves .....	22,178	20,074
Rabobank Member Certificates issued by a group company .....	6,315	6,236
Capital Securities and Trust Preferred Securities III to VI.....	6,182	3,510
Non-controlling interests.....	3,423	3,639
<b>Total equity</b> .....	<b>38,098</b>	<b>33,459</b>
Subordinated debt .....	2,362	2,159
Long-term debt securities in issue.....	93,382	80,394
Short-term debt securities in issue .....	78,370	55,385
<b>Total capitalisation</b> .....	<b>212,212</b>	<b>171,397</b>
<b>Breakdown of reserves and retained earnings</b>		
Revaluation reserves for available-for-sale financial assets.....	(368)	(898)
Other reserves .....	(322)	(332)
Retained earnings.....	22,868	21,304
<b>Total reserves and retained earnings</b> .....	<b>22,178</b>	<b>20,074</b>

On 19 March 2010 Rabobank Nederland issued € 1,250,000,000 6.875 per cent. Senior Contingent Notes due 2020. The principal amount of these notes may be reduced to 25 per cent. of their original principal amount in the event that Rabobank Group's equity capital ratio is less than 7 per cent.

There has been no material change in the capitalisation of Rabobank Group since 31 December 2009.

# TAXATION

## DUTCH TAXATION

### Introduction

The following summary does not purport to be a comprehensive description of all Dutch tax considerations that could be relevant for holders of the Securities. This summary is intended as general information only. Each prospective holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities. This summary is based on Dutch tax legislation and published case law in force as of the date of this Offering Circular. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

### Scope

Regardless of whether or not a holder of Securities is, or is treated as being, a resident of the Netherlands, this summary does not address the Dutch tax consequences for such a holder:

- having a substantial interest (*aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- who is a private individual and may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Securities are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Securities;
- which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer within the meaning of article 13 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes; or
- which is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of benefits derived from the Securities.

### Withholding tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

## **Income tax**

### ***Resident holders***

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the Securities as assets that are held in box 3. Taxable income with regard to the Securities is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4per cent. of the average of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the yield basis at the end of the calendar year, insofar as the average concerned exceeds a certain threshold.<sup>19</sup> Such average is determined as the fair market value of certain qualifying assets held by the holder of the Securities, less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30per cent.

### ***Non-resident holders***

A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Securities.

## **Corporate income tax**

### ***Resident holders or holders having a Dutch permanent establishment***

A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands, is taxed in respect of benefits derived from the Securities at rates of up to 25.5per cent.

### ***Non-resident holders***

A holder which is a corporate entity and for the purposes of Dutch corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, having no permanent establishment in the Netherlands (and is not treated as having such a permanent establishment), will not be subject to such tax in respect of benefits derived from the Securities.

## **Gift and inheritance tax**

### ***Resident holders***

Dutch gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

### ***Non-resident holders***

No Dutch gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

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<sup>19</sup> From 1 January 2011, the yield basis will (generally) be determined at the beginning of the calendar year only.

**Other taxes**

No Dutch turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the acquisition of Securities, with respect to any cash settlement of Securities or with respect to the delivery of Securities. Furthermore, no Dutch registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Securities.

**EU Savings Directive**

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

## SUBSCRIPTION AND SALE

### Summary of the Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 27 October 2010 (as amended or supplemented as at the Issue Date (the “**Programme Agreement**”), between the Issuer and the Initial Dealers (as defined in the Programme Agreement) the Securities will be offered on a continuous basis by the Issuer to the Initial Dealers (unless otherwise agreed). However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Initial Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Securities to be issued in syndicated tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Final Terms.

### Selling Restrictions

#### *Public Offer Selling Restriction under the Prospectus Directive*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (A) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (B) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (C) at any time to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last (or in Sweden, its last two) annual or consolidated accounts;
- (D) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (E) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (B) to (E) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that 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.

### **France**

Each Dealer has represented and agreed that:

- (A) with regard to an offer to the public in France, it has only made and will only make an offer of Securities to the public (*appel public à l'épargne*) in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“**AMF**”) of the approval of the prospectus relating to the Securities by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Offering Circular; or
- (B) with regard to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (A) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (B) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (C) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### ***United States***

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

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities of any identifiable tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and certified to the Issuer, by the relevant Agent or, in the case of Securities issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, unless in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Securities, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has further agreed that it will have sent to each distributor, dealer or person receiving a selling concession fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

### ***China***

Each Dealer has represented and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

### ***Hong Kong***

Each Dealer has represented and agreed that:

- (A) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (B) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be



disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### ***Japan***

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### ***Korea***

Each Dealer has represented and agreed that Securities have not been registered under the Securities Financial Investment Services and Exchange Capital Market Act of the Republic of Korea, as amended (the “**FISCMA**”) and that it will not offer, deliver or sell directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea or to any persons for re-offering or resale directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea except as otherwise permitted by applicable Korean laws pursuant to an exemption from the registration requirements of FISCMA available thereunder and in compliance with the Foreign Exchange Transaction Law and other relevant laws of the Republic of Korea.

Each Dealer has undertaken to ensure that any securities dealer to which it sells Securities confirms that it is purchasing such Securities as principal and agrees with such Dealer that it will not re-offer or re-sell any Securities directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea, except as aforesaid.

### ***Macau***

Each Dealer has represented and agreed that the Securities may not be promoted, distributed, sold or delivered in the Macau Special Administrative Region of the People’s Republic of China (Macau), and that document relating to the Securities be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Securities in Macau. The Securities are not registered or otherwise authorised for public offer under the Macau Financial System Act, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

### ***Singapore***

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (A) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (B) to a relevant person pursuant to Section 275(1), or any person pursuant to Section

275(1A) and in accordance with the conditions specified in Section 275 of the SFA or (C) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Securities are subscribed or purchased under Section 275 by a relevant person which is:

- (A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

- (A) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (B) where no consideration is given for the transfer;
- (C) where the transfer is by operation of law; or
- (D) as specified in Section 276(7) of the Securities and Futures Act.

### ***Taiwan***

The Securities may not be offered or sold in Taiwan through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan. The Securities may only be made available for purchase outside Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Securities.

### ***General***

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Offering Circular.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Offering Circular, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities, or has in its possession or distributes this offering circular, any other offering material or any final terms.

## GENERAL INFORMATION

- 1 Application has been made to the AFM to approve this Offering Circular as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made to Euronext Amsterdam for Securities issued under the Programme, on or after the implementation of the Prospectus Directive in the Netherlands and up to the expiry of 12 months from the date of this Offering Circular to be admitted to trading on Euronext Amsterdam.
- 2 The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The update of the Programme was authorised pursuant to a resolution of the Issuer passed on 27 October 2010.
- 3 There has been no significant change in the financial or trading position of the Issuer since 31 December 2009 nor of the Group since 30 June 2010, and there has been no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2009.
- 4 As disclosed in “*Description of Business of Rabobank Group — Legal proceedings*” on page 317 of this Offering Circular, neither the Issuer nor Rabobank Group, nor any of its members or subsidiaries, is involved in any governmental, legal or arbitration proceedings nor, so far as the Issuer is aware, is any such litigation or arbitration or other proceedings involving the Issuer or Rabobank Group pending or threatened which, in each case, may have, or have had in the previous 12 months, significant effects on the Issuer’s or Rabobank Group’s financial position or profitability.
- 5 The Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each series of Securities will be set out in the relevant Final Terms. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any Alternative Clearing System will be specified in the relevant Final Terms.
- 6 For the period of 12 months following the date of this Offering Circular, copies of the following documents will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the offices of the Paying Agents:
  - (A) the Agency Agreement (as amended and supplemented from time to time);
  - (B) the articles of association of the Issuer;
  - (C) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2007, 2008 and 2009 (together with the explanatory notes) and the auditor’s report in respect of such financial statements;
  - (D) the audited unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2007, 2008 and 2009 (together with the explanatory notes) and the auditor’s reports in respect thereof;
  - (E) the annual reports of Rabobank Group for the years ended 31 December 2007, 2008 and 2009;
  - (F) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2010 and the review report on the condensed consolidated interim financial information in respect thereof;

- (G) a copy of the latest Offering Circular (together with any supplement including the Final Terms thereto); and
- (H) a copy of the 2006 ISDA Definitions.
- 7** For the period of 12 months following the date of this Offering Circular, copies of the latest annual consolidated financial statements of Rabobank Group and the latest condensed consolidated interim financial information of Rabobank Group for the six month period ended 30 June 2010 may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Copies of the latest annual unconsolidated financial statements of Rabobank Nederland may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Rabobank Nederland does not publish unconsolidated interim financial information.
- 8** Ernst & Young Accountants LLP, of which the “*Registeraccountants*” are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified auditor’s reports on the unconsolidated financial statements of Rabobank Nederland and the consolidated financial statements of the Rabobank Group for the years ended 31 December 2007, 2008 and 2009. Ernst & Young Accountants LLP has given its consent to the incorporation by reference in this Offering Circular of their auditor’s reports regarding the above-mentioned financial statements. Ernst & Young Accountants LLP has no interest in Rabobank Nederland.
- Ernst & Young Accountants LLP has given its consent to the inclusion in this Offering Circular of its review report on the condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2010 as incorporated by reference herein in the form and context, in which it appears.
- 9** A copy of this Offering Circular has been, and a copy of each Final Terms will be filed, if required under applicable law, with the Netherlands Authority for the Financial Markets.
- 10** The Issuer is subject to corporate income tax.
- 11** The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue in accordance with prevailing market conditions.
- 12** The Issuer does not intend to provide any post-issuance information in relation to any issues of Securities constituting Derivative Securities (as such term is used in the Commission Regulation (EC) No.809/2004).

**PRINCIPAL OFFICE OF THE ISSUER**

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(Rabobank Structured Products)**

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**INDEPENDENT AUDITOR TO THE ISSUER**

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**EUROCLEAR NETHERLANDS FISCAL AGENT**

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