

**BEST SME 2008 B.V.**

**(a private company with limited liability incorporated under the laws of The Netherlands)**

**€9,912,000,000 Class A Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**€53,000,000 Class B Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**€262,000,000 Class C Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**€168,000,000 Class D Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**€105,000,000 Class E Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**€263,000,000 Class F Floating Rate Notes due 2026**

**Issue Price 100 per cent.**

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as Seller**

The date of this prospectus is 11 December 2008 (the "**Prospectus**").

Application has been made to list on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**") the €9,912,000,000 Class A Floating Rate Notes due 2026 (the "**Class A Notes**"), the €53,000,000 Class B Floating Rate Notes due 2026 (the "**Class B Notes**"), the €262,000,000 Class C Floating Rate Notes due 2026 (the "**Class C Notes**"), the €168,000,000 Class D Floating Rate Notes due 2026 (the "**Class D Notes**") and the €105,000,000 Class E Floating Rate Notes due 2026 (the "**Class E Notes**", and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Listed Notes**") to be issued by BEST SME 2008 B.V. (the "**Issuer**") on or about 15 December 2008 (the "**Closing Date**"). The €263,000,000 Class F Floating Rate Notes due 2026 (the "**Class F Notes**", and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**", and "**Class**" or "**Class of Notes**" means, in respect of the Notes, the class of Notes being identified as the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes) are to be issued by the Issuer on or about the Closing Date and shall not be listed. No application will be made to list the Listed Notes on any other stock exchange. This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") as competent authority under the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**FMSA**"), implementing Directive 2003/71/EC (the "**Prospectus Directive**").

Each of the Notes shall bear interest on its Principal Amount Outstanding from (and including) the Closing Date. Interest on the Notes is payable by reference to successive Quarterly Interest Periods. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next following Quarterly Payment Date (each a "**Quarterly Interest Period**") except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in January 2010 (the "**First Optional Redemption Date**") will accrue at an annual rate equal to the sum of: (a) the European Interbank Offered Rate ("**EURIBOR**") (as more particularly described in, calculated in accordance with, and subject to, the terms and conditions of the Notes, the "**Conditions**" and each a "**Condition**") for three (3) month euro deposits (except for the first Quarterly Interest Period in which case the Euro Reference Rate shall be the rate which represents the linear interpolation between EURIBOR for three (3) month deposits in euro and four (4) month deposits in euro) (the "**Euro Reference Rate**") plus (b)(i) for the Class A Notes, a margin of 0.00 per cent. per annum; (ii) for the Class B Notes a margin of 6.00 per cent. per annum; (iii) for the Class C Notes a margin of 7.50 per cent. per annum; (iv) for the Class D Notes a margin of 12.00 per cent. per annum; (v) for the Class E Notes a margin of 16.50 per cent. per annum; and (vi) for the Class F Notes a margin of 0.00 per cent. per annum.

If on the First Optional Redemption Date the Notes of any Class have not been redeemed in full, the margin on the Notes except for the Class A and Class F Notes, will change. In such circumstances, interest on the Notes will accrue at an annual rate equal to the sum of: (a) the Euro Reference Rate; plus (b)(i) for the Class B Notes a margin of 12.00 per cent. per annum; (ii) for the Class C Notes a margin of 15.00 per cent. per annum; (iii) for the Class D Notes a margin of 24.00 per cent. per annum; and (iv) for the Class E Notes a margin of 33.00 per cent. per annum. For the Class A Notes a margin of 0.00 per cent. per annum will continue to apply and for the Class F Notes a margin of 0.00 per cent. per annum will continue to apply. Interest on each of the Notes shall be payable quarterly in arrears in euro, in each case by reference to its Principal Amount Outstanding, on the 10<sup>th</sup> day of January, April, July and October in each year (or, if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the following calendar month in which case the day that is a Business Day immediately before such 10<sup>th</sup> day) (each such day being a "**Quarterly Payment Date**"). Interest in respect of any Quarterly Interest Period (or any other period) will be calculated on

the basis of the actual number of days elapsed in the Quarterly Interest Period (or such other period) and a year of 360 days. Unless previously redeemed, the Issuer shall redeem the Notes in full on the Quarterly Payment Date falling in January 2026 (the "**Final Maturity Date**"). On the First Optional Redemption Date and on each Quarterly Payment Date thereafter (each such date an "**Optional Redemption Date**") the Issuer will have the option to redeem all (but not some only) of the Notes, except for the Class F Notes, at their Principal Amount Outstanding, subject to and in accordance with the Conditions.

**If there is any withholding or deduction of taxes, duties, assessments or charges are required by law in respect of payments of principal and/or interest of the Notes, such withholding or deduction will be made without an obligation of the Issuer to pay any additional amount to the Noteholders.**

It is a condition to the issue of: (a) the Class A Notes that they be assigned a rating of Aaa on issue by Moody's Investors Service Limited ("**Moody's**"); (b) the Class B Notes that they be assigned a rating of Aa1 on issue by Moody's and an AA- rating by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. ("**S&P**" and together with Moody's, the "**Rating Agencies**"); (c) the Class C Notes that they be assigned a rating of Aa3 on issue by Moody's and an A- rating by S&P; (d) the Class D Notes that they be assigned a rating of Baa1 on issue by Moody's and an BBB rating by S&P and (e) the Class E Notes that they be assigned a rating of Ba1 on issue by Moody's and an BB- rating by S&P (the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes together the "**Rated Notes**"). The Class F Notes shall not be rated. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. Particular attention is drawn to the section entitled *Risk Factors*.**

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

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will initially be represented by a temporary global note in bearer form (a "**CD Temporary Global Note**"), without coupons or talons, which is expected to be deposited with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**"), on or about the Closing Date. Each such CD Temporary Global Note will be exchangeable not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a permanent global note in bearer form without coupons or talons (a "**CD Permanent Global Note**", and together with each CD Temporary Global Note, the "**CD Global Notes**" and the CD Global Notes together with the EN Global Notes, the "**Global Notes**") for the relevant Class of Notes, which will also be deposited with the common depository. Interests in each CD Permanent Global Note will, in certain limited circumstances, be exchangeable for definitive notes of the relevant Class in bearer form. Unless otherwise stated capitalised terms used in this Prospectus have the meanings set out in this Prospectus. The section entitled *Index of Defined Terms* at the back of this document specifies on which page a capitalised word or phrase used in this Prospectus is defined.

Manager



**Rabobank**

**Rabobank International**

## IMPORTANT INFORMATION

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

The Seller is responsible solely for the information contained in this Prospectus in the sections entitled *Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Description of Loans* and *Loan Underwriting and Servicing*. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information and consequently the Seller does not assume any liability in respect of any other information contained in this Prospectus.

Information in this Prospectus that has been sourced from a third party has been accurately reproduced, and as far as the Issuer and the Seller are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Notes will be obligations of the Issuer only. In particular, the Notes will not be guaranteed by, or be the responsibility of, any other entity or person, including, without limitation, any of the other parties to the Transaction Documents. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the other parties to the Transaction Documents. None of the Secured Parties or any other entity or person will be under any obligation whatsoever to provide additional funds to the Issuer.

This Prospectus is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated in this Prospectus by reference (see further the section entitled *General Information*). This Prospectus shall be read and construed on the basis that such document is incorporated in and forms part of this Prospectus.

This Prospectus is not an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in the section entitled *Purchase and Sale of Notes*. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations. Neither this Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained in this Prospectus is correct at

any time after the date of this Prospectus. The Issuer and the Seller have no obligation to update this Prospectus, except when required pursuant to the FMSA or any other regulations, laws or rules in force from time to time.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.

The Manager and the Seller expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. An investor should review, amongst other things, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. In addition, an investor should make its own determination of the suitability of any such investment in the Notes with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment.

No Class of Notes has been registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and therefore no Class of Notes may be offered, sold or delivered in the United States or its possessions or to, or for the account or benefit of, (i) United States persons (as defined for U.S. federal income tax purposes) except in certain transactions permitted by United States treasury regulations or (ii) U.S. persons (within the meaning of Regulation S under the US Securities Act ("**Regulation S**")) unless such Class of Notes is registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States treasury regulations. For a more complete description of restrictions on offers and sales and applicable US tax law requirements, see further the section entitled *Purchase and Sale of Notes* below.

Neither the US Securities and Exchange Commission, nor any state securities commission or any other regulatory authority, has approved or disapproved the Notes or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

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## SUMMARY

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any amendment and supplement thereto. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer, being the entity which has tabled the summary, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.*

*Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus. For the page reference of the definitions of the capitalised terms used herein see further the section entitled Index of Defined Terms.*

### **The Issuer**

BEST SME 2008 B.V. is incorporated under the laws of The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). The entire issued share capital of the Issuer is owned by Stichting BEST SME 2008 Holding. The Issuer is incorporated to enter into the transaction described below (see further the section entitled *Issuer*).

### **The transaction**

The Issuer will on the Closing Date issue the Notes. The Issuer will apply the net proceeds from the issue of the Notes (other than the Class F Notes) towards payment of the Initial Purchase Price for the Receivables (i.e. the rights under or in connection with certain pre-selected Loans acquired by the Seller from the relevant Originators pursuant to the SSA) sold by the Seller and assigned to the Issuer on the Closing Date pursuant to the Receivables Purchase Agreement. In addition, the Issuer will pay the Deferred Purchase Price for the Receivables to the Seller, which is to be paid in Deferred Purchase Price Instalments, if any (see further the section entitled *Receivables Purchase Agreement*). The Issuer will apply the net proceeds of the issue of the Class F Notes to fund the Initial Reserve Required Amount in accordance with the Trust Deed and credit such amount to the Reserve Account.

The Issuer will use receipts of principal and interest in respect of the Receivables together with amounts it receives under the Floating Rate GIC and the Swap Agreement and drawings under the Liquidity Facility Agreement, to make payments of, *inter alia*, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes will rank below the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments (see further the section entitled *Credit Structure*).

Pursuant to the Liquidity Facility Agreement, the Issuer will, subject to certain conditions, be entitled to make drawings up to the Liquidity Facility Maximum Amount in order to meet certain shortfalls in Interest Available Funds (see further the section entitled *Credit Structure*).

Pursuant to the Floating Rate GIC, the Floating Rate GIC Provider shall pay a certain guaranteed rate of interest on all funds standing to the credit of the Accounts and the Liquidity Facility Stand-by Drawing Account (see further the section entitled *Credit Structure*).

Under the Servicing Agreement, the Servicer will provide payment transactions and other services to the Issuer on a day-to-day basis in relation to the Portfolio Loans and the Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Portfolio Loans, and the implementation of arrears procedures including the enforcement of Relevant Security (see further the section entitled *Servicing Agreement and Issuer Administration Agreement*).

Under the Issuer Administration Agreement, the Issuer Administrator will provide certain administration, calculation and cash management services to the Issuer, including, certain calculations to be made pursuant to the Conditions (see further the section entitled *Servicing Agreement and Issuer Administration Agreement*).

Pursuant to the Swap Agreement, the Issuer will hedge the interest rate risk it is exposed to pursuant to the interest rate income the Issuer will receive under the Receivables and the interest payments the Issuer is obliged to make under the Notes (see further the section entitled *Credit Structure*).

## **Security**

The Notes and certain other liabilities of the Issuer will be secured, indirectly, through the Parallel Debt, by (i) an undisclosed first ranking right of pledge by the Issuer to the Security Trustee over the Receivables and (ii) a disclosed first ranking right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Accounts, the Liquidity Stand-by Drawing Account and certain Transaction Documents. The Trust Deed sets out the priority of the claims of the Secured Parties (see further the section entitled *Description of Security*).

## **Interest on the Notes**

The Reference Agent will determine the Rate of Interest for each Class of Notes and calculate the amount of interest payable on each of the Notes for the relevant Quarterly Interest Period by applying the relevant Rate of Interest to the Principal Amount Outstanding of each Class of Notes respectively.

## **Redemption of the Notes**

Unless previously redeemed in accordance with the Conditions, the Issuer will redeem all of the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in January 2026.

In the period from (and including) the Closing Date up to (but excluding) the Final Maturity Date, on each Quarterly Payment Date, the Issuer shall apply any Notes Redemption Available Funds, which broadly consists of all amounts of principal received (i) as repayment on the Receivables, (ii) as pre-payment on the Receivables and (iii) in connection with a repurchase or sale of the Receivables, to (partially) redeem the Notes in accordance with the Principal Priority of Payments.

The Issuer has the right (but not the obligation) to redeem all (but not some only) of the Notes except for the Class F Notes, on an Optional Redemption Date, subject to and in accordance with the Conditions. Also, the Issuer will have the option to redeem the Notes in whole (but not



in part) upon the occurrence of a tax change in accordance with the Conditions. In addition, the Issuer will redeem the Notes, except for the Class F Notes, if the Seller exercises its Seller Clean-Up Option or Regulatory Call Option in accordance with the Conditions. See further the section entitled *Terms and Conditions of the Notes*.

### **Listing**

Application has been made to list the Listed Notes on Euronext Amsterdam.

### **Rating**

It is a condition to the issue of the Notes that, on or about the Closing Date:

- (a) the Class A Notes be assigned on issue a credit rating of Aaa by Moody's;
- (b) the Class B Notes be assigned on issue a credit rating of (i) Aa1 by Moody's and (ii) AA- by S&P;
- (c) the Class C Notes be assigned on issue a credit rating of (i) Aa3 by Moody's and (ii) A- by S&P;
- (d) the Class D Notes be assigned on issue a credit rating of (i) Baa1 by Moody's and (ii) BBB by S&P; and
- (e) the Class E Notes be assigned on issue a credit rating of (i) Ba1 by Moody's and (ii) BB- by S&P.

### **Risk factors**

There are certain factors which prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes such as (but not limited to) the fact that the obligations of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Receivables, the proceeds of the sale of any Receivables and the receipt by it of other funds (including but not limited to the receipt of payments under the Swap Agreement). Despite certain risk mitigating facilities, there remain credit risks, liquidity risks, prepayment risks, maturity risks and interest rate risks relating to the Notes. Moreover, there are certain structural and legal risks relating to the Receivables (see further the section entitled *Risk Factors*).

## **RISK FACTORS**

*The factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. 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.*

*Prospective Noteholders should read the detailed information set out elsewhere in this document.*

*Defined terms used in this section and the other sections of this Prospectus can be found via the Index of Defined Terms.*

### **A General**

#### **1. *Liabilities in respect of the Notes and limited recourse***

The Notes will be solely obligations of the Issuer, except for certain obligations of the Security Trustee pursuant to the Trust Deed relating to the Parallel Debt. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, any of the Transaction Parties (other than the Issuer). Furthermore, none of the Transaction Parties (other than the Issuer) or any other person in whatever capacity acting will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on, *inter alia*, the receipt by it of funds under or in connection with the Receivables, the proceeds of any sale of Receivables, the receipt by it of payments under the Swap Agreement, and the receipt by it of interest in respect of the balances standing to the credit of the Accounts. The balances standing to the credit of the Accounts and the amounts available to be drawn under the Liquidity Facility for certain of its payment obligations are also available to the Issuer.

Payment of principal and interest on the Notes will be secured indirectly by the security granted by the Issuer to the Security Trustee pursuant to the Pledge Agreements. If the security granted pursuant to the Pledge Agreements is enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to amounts due under the Notes, are insufficient to repay in full principal and interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. Enforcement of the security granted to the Security Trustee pursuant to the Pledge Agreements in accordance with the terms of the Trust Deed, the Pledge Agreements and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes.

*By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept and be bound by the Conditions. Neither the Issuer nor the Paying Agents will have any responsibility for the proper performance by Euroclear Netherlands or its admitted institutions (aangesloten*

*instellingen), Euroclear or Clearstream Luxembourg of their obligations under their respective rules, operating procedures and calculation methods.*

## **2. *Reliance on third parties***

Counterparties of the Issuer may not perform their respective obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. In particular, it should be noted that there is a risk that Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. in its capacity as Seller, Swap Counterparty, Account Bank, Floating Rate GIC Provider, Liquidity Facility Provider, EN Principal Paying Agent or EN Paying Agent will not perform its obligations *vis-à-vis* the Issuer under the Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Account Bank Agreement, the Liquidity Facility Agreement or the Paying Agency Agreement.

## **3. *Conflicts of interest***

Rabobank is acting in a number of capacities (i.e., as Seller, Account Bank, Floating Rate GIC Provider, Servicer, Swap Counterparty, Liquidity Facility Provider, EN Principal Paying Agent, EN Paying Agent and Manager) in connection with the transactions described herein. Rabobank in acting in such capacities in connection with such transactions shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

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

ATC Management B.V., being the sole director of the Issuer and the Shareholder, belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole director of the Security Trustee, and ATC Financial Services B.V., being the Issuer Administrator. Therefore, a conflict of interests could arise. In this respect, it is noted that each of ATC Management B.V. and Amsterdamsch Trustee's Kantoor B.V. is, with regard to the exercise of its powers and rights as either the sole director of the Issuer, the sole director of the Shareholder and the sole director of the Security Trustee, under the relevant Management Agreement bound by the restrictions set out in such Management Agreement that are intended to ensure that the powers and rights are exercised in the interest of the Issuer, the Shareholder and the Security Trustee and the other parties involved in the transaction contemplated by the Transaction Documents. The Security Trustee is a party to the Issuer Management Agreement for, *inter alia*, the better preservation and enforcement of its rights under the Issuer Rights Pledge Agreement.

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14 (*The Security Trustee*)) the Security Trustee shall have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, each as a Class, and shall not have regard to the consequences of such exercise for individual Noteholders. If, in relation to the exercise or performance of its functions described in Condition 14.3 (*Noteholder interests*), the Security Trustee is of the opinion that there is or may be a conflict between holders of any Classes of Notes, the Security Trustee shall have regard only to the interests of the most senior Class of Notes then outstanding, and if there is a conflict of interest between the

relevant Secured Parties, the applicable Priority of Payments shall determine which interests shall prevail.

#### 4. *Swap Agreement*

##### *Interest rate risk*

The Issuer will receive, amongst other things, floating rate interest or fixed rate interest (subject to a reset, from time to time) on and in respect of the Receivables it intends to purchase under the Receivables Purchase Agreement. The Issuer will pay a fixed margin plus the Euro Reference Rate on the Notes it intends to issue on the Closing Date and such fixed margin on the Notes will increase after the First Optional Redemption Date except for the Class F Notes. To hedge the interest rate mismatch risk of the interest rate income the Issuer will receive under the Receivables against the interest payments the Issuer is obliged to make under the Notes, the Issuer will on or before the Closing Date enter into the Swap Agreement with the Swap Counterparty. There can be no assurance that the Swap Agreement will adequately address the interest rate risk the Issuer is exposed to because of the reasons set out below and in case the Swap Counterparty fails to perform its obligations under the Swap Agreement.

##### *Termination and the failure to make payments under the Swap Agreement*

The transactions under the Swap Agreement may be terminated if:

- (a) there is an event of default under the Swap Agreement in respect of one party that affects the other party;
- (b) it becomes unlawful for either party to perform its obligations under the Swap Agreement;
- (c) an Enforcement Notice is served;
- (d) there is an Additional Termination Event (as defined in the Swap Agreement) as a result of the Notes being redeemed, repaid or written off in full in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), Condition 7.8 (*Optional redemption by the Issuer*) or Condition 7.9 (*Optional redemption for tax reason*), or there is an Additional Termination Event (as defined in the Swap Agreement) as a result of the occurrence of certain rating downgrade events in respect of the Swap Counterparty; or
- (e) certain tax events occur.

A failure to make timely payments by the Issuer to the Swap Counterparty under the Swap Agreement will constitute an event of default under the Swap Agreement and entitle the Swap Counterparty to terminate the Swap Agreement. Any termination payment due from the Issuer to the Swap Counterparty will rank in priority to amounts due and payable under the Notes in the Interest Priority of Payments (except for the payment of any Subordinated Swap Amounts to the Swap Counterparty) and in the Enforcement Priority of Payments (except for the payment of any Subordinated Swap Amounts to the Swap Counterparty). Payments of such amounts by the

Issuer to the Swap Counterparty may reduce funds that would otherwise be available to make payments under the Notes.

The Swap Agreement provides that if any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. In such circumstances, this may reduce the funds that would otherwise be available to the Issuer to make payments under the Notes.

If the Swap Agreement is terminated no assurance can be given as to the ability of the Issuer to enter into a replacement swap, or if one is entered into, as to the credit rating of a replacement swap counterparty.

The Swap Agreement also provides that if the Swap Agreement is terminated upon the occurrence of an Additional Termination Event (as defined in the Swap Agreement) as a result of the Notes being redeemed, repaid or written off in full in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), Condition 7.8 (*Optional redemption by the Issuer*) and in either case Condition 7.8(c) (*Optional redemption by the Issuer*) applied (a "**Relevant Additional Termination Event**"), the Swap Counterparty shall - as termination payment - pay such amounts to the Issuer to enable the Issuer to make the payments set forth in paragraphs (a) to (c) (inclusive) of the Interest Priority of Payments during the four succeeding Quarterly Payment Dates immediately following the Rated Notes Redemption Date.

#### *Transfer by the Swap Counterparty*

In addition to its right to transfer its rights and obligations under the Swap Agreement to another of its offices or affiliates to avoid a relevant Tax Event (as described below), the Swap Counterparty has the right to (at its own cost) transfer all or substantially all of its rights and obligations with respect to the Swap Agreement to any other entity that is an Eligible Replacement and a S&P Eligible Replacement (each as defined in the Swap Agreement), subject to and in accordance with the provisions of the Swap Agreement (which includes prior notification of such transfer to S&P).

#### *Withholding or deduction*

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law subject to the right to transfer (in whole or in part) the obligations under the Swap Agreement to a third party (as referred to in the below paragraph).

If any withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amounts as are necessary to ensure that the net amount received by the Issuer under the Swap Agreement will equal the amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to any change in tax law after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a "**Tax Event**"), the Swap Counterparty may (with

the consent of the Issuer) transfer its rights and obligations under the Swap Agreement to another of its offices or affiliates to avoid the relevant Tax Event.

See further the section entitled *Credit Structure – Interest Rate Hedging*.

## **B The Notes**

### **1. *No Gross-up for Taxes***

As provided in Condition 8 (*Taxation*), if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatever nature are imposed by or on behalf of The Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges by the Issuer or any Paying Agent (as the case may be) are required by law. In that event, the Issuer or that Paying Agent (as the case may be) will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders in respect of such withholding or deduction.

### **2. *Limited liquidity of the Notes***

There is not, at present, any active and liquid secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes.

### **3. *EU Council Directive on the taxation of savings***

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within his jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have (agreed to) adopt(ed) similar measures. Pursuant to Condition 6.6(b)(iii) (*Paying Agents*), the Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC.

### **4. *Prepayment considerations***

The maturity of the Notes will depend on, amongst other things, the amount and timing of payment of principal (including full and partial prepayments, the sale of the Receivables by the Issuer to the Seller, and the Net Proceeds upon enforcement of the Relevant Security).

The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Portfolio Loans. The rate of prepayment of Portfolio Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage

interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour. No guarantee can be given as to the level of prepayment that the Portfolio Loans may experience.

In the period from (and including) the Closing Date up to (but excluding) the Final Maturity Date, on each Quarterly Payment Date, the Issuer shall apply any Notes Redemption Available Funds, which broadly consists of all amounts of principal received (i) as repayment on the Receivables, (ii) as pre-payment on the Receivables and (iii) in connection with a repurchase or sale of the Receivables, to (partially) redeem the Notes in accordance with the Principal Priority of Payments.

#### **5. *Notes, subordination and credit enhancement***

As stated in Condition 10 (*Subordination*), amongst other things, (a) the Class A Notes rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; (b) the Class B Notes rank in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; (c) the Class C Notes rank in priority to the Class D Notes, the Class E Notes and the Class F Notes; (d) the Class D Notes rank in priority to the Class E Notes and the Class F Notes and (e) the Class E Notes rank in priority to the Class F Notes, all in point of payment and security.

The Notes Redemption Available Funds shall not be used to redeem the Class F Notes. The Class F Notes shall only be redeemed through the application of any Interest Available Funds subject to and in accordance with the Interest Priority of Payments. As a result the holders of the Class F Notes may receive by way of principal repayment on the Class F Notes an amount less than the face amount of their Notes.

The subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes with respect to each Class of Notes ranking higher in point of payment and security is designed to provide credit enhancement to the most senior class or classes (as applicable) of Notes, respectively. If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers under and in respect of the relevant Portfolio Loans, the Noteholders could receive an amount that is less than what is due and payable to it by the Issuer in respect of the amounts of principal and/or interest owed in respect of the Notes. Any losses on the Portfolio Loans will be allocated first to the Class of Notes ranking most junior in point of payment and security, as described below. See further the section entitled *Credit Structure* and Condition 10 (*Subordination*).

In addition, if the Issuer redeems the Notes (other than the Class F Notes) pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or exercises its option to redeem the Notes (other than the Class F Notes) in accordance with Condition 7.8 (*Optional redemption by the Issuer*) and on such date there are Defaulted Receivables and the Receivables are sold to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledgers as described in the section entitled *Credit Structure*. If in the case of a sale to a third party, the purchase price of the Receivables is lower than the aggregate principal amount outstanding in respect of such Receivables, this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger and which may, depending on the balance on the Reserve Account, result in a Principal Shortfall in respect of a Class of Notes (other than the

Class F Notes). As a result the Noteholders (other than the Class F Noteholders) may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes. See the risk factor *Prepayment Considerations* above, the risk factor *Maturity Risk* below and further the section entitled *Credit Structure* and Condition 10 (*Subordination*).

#### 6. ***Maturity risk***

The ability of the Issuer to redeem the Notes in full pursuant to the occurrence of an event or circumstance under which it is required to or has the option to redeem the Notes, and accordingly, to pay all amounts due to the Noteholders, may depend upon whether the value of the Receivables that need to be sold or otherwise realised, is sufficient to redeem the Notes.

If the Issuer redeems the Notes (other than the Class F Notes) pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or in accordance with Condition 7.8 (*Optional Redemption by Issuer*), it shall offer such Receivables for sale to (a) the Seller and if not accepted by the Seller (b) to third parties.

In the case of a sale to the Seller, the proceeds of the sale of Defaulted Receivables will determine the extent in which the Issuer is able to pay amounts due to Noteholders. The purchase price for Defaulted Receivables depends on various parameters including (i) the Market Value; (ii) the total amount the Seller has received or recovered in respect of the Defaulted Receivables; (iii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables; and (iv) the Final Market Value. The Issuer, the Security Trustee and the Seller shall jointly determine the amounts of the Market Value and the Final Market Value of the Defaulted Receivables. The Final Market Value may be lower than the aggregate Principal Amount Outstanding of the Defaulted Receivables. This could mean that the Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes.

In the case of a sale to a third party (other than the Seller), the Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) for a price at least equal to (i) in respect of the Receivables that are not Defaulted Receivables the aggregate principal amount outstanding in respect of such Receivables together with any accrued interest up to but excluding the date of sale and assignment of such Receivables and any costs incurred by the Issuer in effecting and completing such sale and assignment and (ii) in respect of any Defaulted Receivables the aggregate Market Value of such Receivables. Notwithstanding the Issuer's best efforts undertaking, if such purchase price is lower than the aggregate principal amount outstanding in respect of such Receivables (including Defaulted Receivables), this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger and which may, depending on the balance on the Reserve Account, result in a Principal Shortfall in respect of a Class of Notes. This could mean that the Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes.

In respect of a sale of Receivables to a third party (other than the Seller) in connection with the exercise of an Issuer Call Option, the Issuer may only exercise such Issuer Call Option if, amongst other things, the aggregate purchase price for such Receivables is at least equal to the Minimum Third Party Purchase Price. If the Issuer cannot sell the Receivables for at least the Minimum Third Party Purchase Price to a third party (other than the Seller), a relevant Option



Notice is deemed revoked and the Issuer shall not be entitled to exercise the Issuer Call Option on the relevant Optional Redemption Date.

With the proceeds of a sale to either the Seller or a third party, the Issuer will redeem the Notes (other than the Class F Notes) on a sequential basis at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall. The Principal Shortfall in respect of a Note of a Class on such date is an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Quarterly Payment Date divided by the number of the Notes of the relevant Class on such Quarterly Payment Date. If the Issuer redeems the Notes (other than the Class F Notes) pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or in accordance with Condition 7.8 (*Optional Redemption by Issuer*) the Principal Shortfall will be reduced to zero. If the Receivables have been sold to the Seller and there are Defaulted Receivables, the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will after such redemption be equal to the relevant Estimated Shortfall.

**7. *Delays in redemption as a result of Defaulted Receivables***

If the Notes (other than the Class F Notes) are redeemed pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or are subject to optional redemption in accordance with Condition 7.8 (*Optional redemption by the Issuer*), part of the redemption payments may be delayed if the sale of Defaulted Receivables to the Seller results in an Estimated Shortfall. After such redemption, the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be equal to the relevant Estimated Shortfall. Subject to and in accordance with Condition 7.8 (*Optional redemption by the Issuer*) (also in connection with a redemption pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*)), there may be further redemption payments in respect of such remaining Principal Amount Outstanding on the four succeeding Quarterly Payment Dates. From (and including) the date on which the Issuer redeems the Notes (other than the Class F Notes) in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or Condition 7.8 (*Optional redemption by the Issuer*), no interest will accrue and will be due on any Class of Notes (other than the Class F Notes). There will be no further claim on the Issuer for any Principal Amount Outstanding in respect of the Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

**8. *Limited verification***

If on any Quarterly Payment Date up to and including the Rated Notes Redemption Date (the "**Verification Period**") the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period, exceeds the amount standing to the credit of the Reserve Account as at such Quarterly Payment Date (after application of the Interest Available Funds in accordance with the Interest Priority of Payments on such date), the Independent Accountants will be required to verify that, to the extent that

such matters can be objectively verified and on the basis of information supplied by the Seller or otherwise, whether (i) as at the Portfolio Cut-Off Date the relevant Receivables and related Borrowers and Portfolio Loans complied with the Receivable Criteria, and (ii) the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period have been calculated and assessed in accordance with the appropriate methodology (which includes, for the avoidance of doubt, verification whether the relevant Receivables in respect of which a Realised Loss was incurred were indeed Defaulted Receivables), provided that in the Verification Period only two verifications shall be required to be carried out by the Independent Accountants regardless of any such excess on any subsequent Quarterly Payment Date, and of which one shall in any event be required to be carried out by the Independent Accountants on a Rated Notes Redemption Date.

#### 9. *Credit ratings*

The ratings assigned to the Rated Notes by the Rating Agencies address the expected loss posed to investors at legal final maturity in relation to the initial principal balance of the Rated Notes. Credit ratings of debt securities represent rating agency's opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and, if applicable, interest payments and do not evaluate the risks of fluctuations in market value; therefore, credit ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an Issuer's current financial condition may be better or worse than a rating indicates. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agencies. The Class F Notes shall not be rated.

### C **Receivables**

#### 1. *Rabobank Group Companies and Local Rabobanks*

The loan agreements (*schuldbekentenissen*) in connection with the Loans provide that either (i) the relevant Local Rabobank is the sole creditor under the loan (such loan, a "**Sole Creditor LB Loan**"), or (ii) that one or more Local Rabobanks as well as one or more Rabobank Group Companies are entitled to claim payment from the Borrower in respect of the loan (such loan, a "**Joint Creditor Loan**"). In the latter case, the loan agreement is executed by the relevant Local Rabobank(s) and the relevant Rabobank Group Compan(y)(ies). The cooperation of the relevant Rabobank Group Compan(y)(ies) and relevant Local Rabobank(s) will be required for the assignment of the Receivables resulting from such Joint Creditor Loan by the relevant Originator(s) to the Seller.

In the SSA each relevant Local Rabobank and each relevant Rabobank Group Company provide such cooperation and, to the extent required, agree to assign their respective claim for payment (*vorderingsrecht*; the "**Payment Claim**") in respect of the relevant Receivables to the Seller. Following the assignment of such Receivables to the Seller pursuant to the SSA, the relevant Local Rabobank(s) and the relevant Rabobank Group Compan(y)(ies) will no longer be entitled (*gerechtigd*) to the Payment Claims.

Prior to the notification of the assignment of the Receivables (including the Payment Claim in respect of such Receivables), the Borrower can discharge his payment obligations under the Receivables by paying to the relevant Rabobank Group Compan(y)(ies) or the relevant Local Rabobank(s) (as the case may be) and the relevant Rabobank Group Compan(y)(ies) or the relevant Local Rabobank(s) (as the case may be) will be able to collect the Payment Claim. However, each relevant Local Rabobank and each relevant Rabobank Group Company will agree in the SSA that it will refrain from collecting any Payment Claims following the assignment of such Receivables to the Seller.

The matters described in the paragraph entitled *Transfer of Receivables to the Issuer and Creation of Rights of Pledge in favour of the Security Trustee* above apply to the extent that they relate to an assignment of the Receivables *mutatis mutandis* to the assignment of the Payment Claims.

## **2. *Transfer of Receivables to the Seller***

Under Netherlands law a transfer of a receivable, such as the Receivables, can be effected either by way of disclosed assignment (*openbare cessie*) or undisclosed assignment (*stille cessie*). Under Netherlands law, a disclosed assignment, in order to be effective, must be notified to the debtor of the receivable. For an undisclosed assignment to be effective, the deed of assignment should either be included in a notarial deed or registered with the competent Dutch tax authorities. In the case of an undisclosed assignment, notification to the debtor will still be required to avoid that such debtor may validly discharge its obligations (*bevrijdend betalen*) by making a payment to the assignor of the receivable.

The Local Rabobanks, the Rabobank Group Companies and the Seller have entered into a securitisation support agreement (the "**SSA**") pursuant to which the Local Rabobanks have authorised the Seller to effect a transfer (*juridische overdracht*) to the Seller of one or more Receivables selected by the Seller for the purpose of selling and transferring such Receivables to the Issuer under the terms of the Receivables Purchase Agreement. The Receivables will be transferred by the relevant Originator to the Seller by way of undisclosed assignment. The assignment of the Receivables to the Seller on the Closing Date will be effected through registration of the deed of assignment with the competent Dutch tax authorities. Unless otherwise agreed between a relevant Originator and the Seller, the assignment of the Receivables from the relevant Originator to the Seller will only be notified to the Borrowers if and when notification of the assignment of the Receivables from the Seller to the Issuer is made to the Borrowers in accordance with the terms of the Receivables Purchase Agreement. As long as no notification of the assignment of the Receivables from the relevant Originator to the Seller has taken place, any payments made by the Borrowers under the Receivables must continue to be made to the relevant Originator.

In addition, the SSA includes certain arrangements with regard to any Payment Claim any relevant Local Rabobank and any relevant Rabobank Group Company may have in respect of the relevant Receivable. See further the section entitled *Rabobank Group Companies and Local Rabobanks*. Furthermore, the SSA includes certain arrangements with respect to the management and administration of joint security interests in the Relevant Security, which are co-held by the relevant Rabobank Group Compan(y)(ies) and the relevant Local Rabobank(s). See further the section entitled *Receivables Purchase Agreement*.

### 3. ***Transfer of Receivables to the Issuer***

The Receivables Purchase Agreement provides that the Receivables will be transferred by the Seller to the Issuer by way of an undisclosed assignment. The assignment of the Receivables to the Issuer on the Closing Date will be effected through registration of the deed of assignment with the competent Dutch tax authorities. The assignment will only be notified to the Borrowers if an Assignment Notification Event occurs unless the Security Trustee instructs otherwise if it has determined (either on the basis of confirmation from, or notification to, the Rating Agencies) that not giving such notification will not adversely affect the then current ratings of the Notes. See further the section entitled *Receivables Purchase Agreement*.

### 4. ***Impact of insolvency on assignments and sureties***

Registration of a deed of assignment after the Seller has been declared bankrupt or has become subject to special measures, will not be effective and, consequently, in such event legal title to the Receivables will not pass to the Issuer. Furthermore, a surety is only effective when the surety agreement has been signed by the surety (*borg*) and the obligor (*schuldeiser*) before the Seller has been declared bankrupt.

As long as no notification of the relevant assignments or pledges has taken place, any payments made by the Borrowers under the Receivables must continue to be made to the relevant Originator or the Seller (as the case may be).

In respect of payments so made to the Seller after the notification of the assignment of the Receivables pursuant to the SSA to the Seller but prior to the Seller having been declared bankrupt or having become subject to special measures, the Issuer will be an ordinary, non-preferred creditor, having an insolvency claim (*voor verificatie vatbare vordering*). In respect of post-insolvency payments, the Issuer will be a creditor of the estate (*boedelschuldeiser*), and will receive payment prior to creditors with insolvency claims, but after preferred creditors of the estate.

In respect of the Receivables secured by a surety, the surety (*borg*) is only obliged to perform under the surety when the surety agreement is signed by both the surety (*borg*) and the obligor (*schuldeiser*) and the conditions to claiming under the surety are fulfilled (as set out in Clause 850 et. seq. of The Netherlands Civil Code). Until the moment of such compliance the Issuer will be an ordinary, non-preferred creditor, having an insolvency claim (*voor verificatie vatbare vordering*).

Notification of the assignment of the Receivables to the Issuer can be validly given to the Borrowers after the Seller has been declared bankrupt or has become subject to special measures. Notification of the rights of pledge created pursuant to the Receivables Pledge Agreement can be validly given to the Borrowers after the Issuer has been declared bankrupt or has become subject to a suspension of payments.

Furthermore, the issues described in this paragraph in respect of the (validity of the) assignment of Receivables from the Seller to the Issuer apply, *mutatis mutandis*, to the assignment of Receivables from the relevant Originator(s) to the Seller pursuant to the SSA.

The position of the Seller vis-à-vis an Originator in respect of payments made by the Borrowers under the Receivables pre-insolvency and post-insolvency of such Originator is therefore

similar to the position of the Issuer vis-à-vis the Seller as described above. Neither the Issuer nor the Security Trustee will in principle have any direct claim against an Originator in respect of payments made by a Borrower under the Receivables.

## 5. *Set-off*

Under Netherlands law a Borrower will, subject to the legal requirements for set-off being met, be entitled to set-off amounts due by the relevant Local Rabobank(s) and/or relevant Rabobank Group Company(ies) that is/are creditor(s) of the relevant Loan and/or the Seller to the Borrower (if any) with amounts the Borrower owes in respect of the relevant Loan. After notification to a Borrower of the assignment and/or pledge, the Borrower will also have set-off rights vis-à-vis the Issuer and the Security Trustee (as the case may be), provided that the legal requirements for set-off are met, and further provided that:

- (a) the counterclaim of the Borrower results from the same legal relationship as the relevant Portfolio Loan;
- (b) with respect to counterclaims against a Local Rabobank or a Rabobank Group Company, the counterclaim of the Borrower came into existence and became due prior to the assignment of the Receivables to the Seller and notification thereof to the relevant Borrower; or
- (c) with respect to counterclaims against the Seller, the counterclaim of the Borrower came into existence and became due prior to (i) the assignment of the Receivables to the Issuer, or (ii) the creation of the rights of pledge pursuant to the Receivables Pledge Agreement, and in each case notification thereof to the relevant Borrower.

The Issuer has been advised in this respect that amounts standing to the credit of an account which a Borrower maintains with the Seller, a Local Rabobank or a Rabobank Group Company, are considered amounts due by such Seller, Local Rabobank or Rabobank Group Company, respectively, to the Borrower and are therefore capable of being offset in accordance with the observations set out in the foregoing paragraph. This implies that after notification of the assignment of the Receivables to the Seller and the Issuer, respectively, or the pledge to the Security Trustee (as the case may be), the Borrower can offset amounts that result from the same legal relationship as the relevant Portfolio Loan (and the question whether this is the case depends on all relevant circumstances) or amounts that are standing to the credit of the accounts at the time that the notification is given (and provided that the amount can be withdrawn from the account at such time). If amounts are credited to the account after notification of the assignment or pledge has been given, the Borrower can in principle not offset such additional amounts (unless they are part of the same legal relationship as the Portfolio Loan).

If notification of the assignment of the Receivables to the Seller and the Issuer, respectively, is made after the bankruptcy or special measures of the relevant Originator and/or Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Netherlands Bankruptcy Code (*Faillissementswet*). Under the Netherlands Bankruptcy Code a person which is both debtor and creditor of the person being declared bankrupt, can set off its debt with a claim, if such claim (i) came into existence prior to the bankruptcy having become effective or (ii) resulted from transactions entered into with the person being declared bankrupt

prior to the bankruptcy having become effective. This also applies *mutatis mutandis* in respect of the notification of the right of pledge over the Receivables to the Security Trustee after the bankruptcy or suspension of payments having become effective in respect of the Issuer.

The Seller has represented in the Receivables Purchase Agreement that certain (but not all) General Conditions that have been used by a Local Rabobank in the relevant periods and which apply to a number of Loans provide either that (i) the Borrower is not entitled to apply set-off with respect to any payment obligation in respect of its Loan or (ii) all payments by the Borrower in respect of its Loan should be made without set-off. Considering the wording under (ii) it is uncertain whether it is intended as a waiver by the Borrowers of their set-off rights against the relevant Local Rabobank(s) and relevant Rabobank Group Compan(y)(ies). Under Dutch law, a contractual provision may not be enforceable if this would be unacceptable in the circumstances involved on the basis of applicable standards of reasonableness and fairness (*redelijkheid en billijkheid*). In respect of provisions contained in general conditions (e.g., the General Conditions) applying to a contract, statute provides that a provision is voidable if, considering, amongst other things, the nature and further contents of the agreement between the parties, the manner in which the general conditions were agreed upon, and the mutually apparent interests of the parties involved, such provision is unreasonably onerous (*onredelijk bezwarend*) from the perspective of the party against whom the general conditions are applied (e.g., a Borrower). A provision in the general conditions containing a waiver of set-off by the counterparty is, subject to proof to the contrary, presumed to be unreasonably onerous if such counterparty does not act in the conduct of its/his/her profession or trade (i.e. such counterparty is a consumer). The Seller has represented in the Receivables Purchase Agreement that, to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, each of the Borrowers, when entering into a Loan, acted in the conduct of its/his/her profession or trade. However, in determining whether a waiver of set-off contained in general conditions is unreasonably onerous vis-à-vis the counterparty acting in the conduct of its/his/her profession or trade, the fact that a waiver of set-off contained in general conditions is presumed to be unreasonably onerous vis-à-vis consumers, may be a relevant factor, in particular if it is difficult to determine whether the borrower acted in a private or professional capacity.

On the basis of the above, Borrowers (or their successors) may argue that, depending on the circumstances, the relevant General Conditions do not apply or the provision set out in the General Conditions relating to the waiver of set-off, are voidable or otherwise unenforceable. Should such waiver of set-off be invalid or unenforceable, the Borrower will, in order to invoke a set-off right, need to ensure that the legal requirements for set-off are being met.

The Receivables Purchase Agreement will provide that if a Borrower offsets amounts due to the Borrower by a Local Rabobank, a Rabobank Group Company and/or the Seller (as the case may be) against any amount due by the Borrower in connection with a Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Receivable, the relevant Local Rabobank, the relevant Rabobank Group Company or the Seller (as the case may be) will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable.

To secure the obligations of the Seller, Local Rabobanks and Rabobank Group Companies in this respect, the Seller shall transfer the Trigger Collateral to the Issuer up to the Trigger Collateral Required Amount. No assurance can be given that the Trigger Collateral from time to time will be sufficient to compensate the Issuer if the Seller, a Local Rabobank and/or Rabobank Group Company does not comply with its obligations in this respect. Therefore, set-off by Borrowers could result in losses to the Noteholders.

#### 6. ***Interest reset rights***

The Issuer has been advised that it is uncertain whether any interest reset right will transfer to the Issuer with the assignment of the relevant Receivable. If such interest reset right remains with the relevant Originator despite the assignment to the Seller and the subsequent assignment to the Issuer, this means that in case the relevant Originator has been declared bankrupt or has become subject to special measures, the co-operation of the bankruptcy official would be required to reset the interest rates (unless such right is transferred to the Issuer prior to the bankruptcy or special measures taking effect, but this may require the co-operation of the Borrower).

### **D Security**

#### 1. ***Parallel Debt***

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

#### 2. ***Security for Portfolio Loans***

Some Receivables will be secured by (a) mortgages (*hypotheken*), (b) rights of pledge, (c) sureties (*borgstellingen*), (d) pledges and beneficiary arrangements in respect of insurance policies and (e) other forms of (personal) security rights. However, not all Receivables have the benefit of security and, therefore, constitute unsecured obligations of the Borrower. Furthermore, if security is provided in connection with a Loan, the value of the assets securing the obligations under the Loan may be (considerably) less than the amount outstanding under the Loan.

#### 3. ***Bank Security***

##### *General*

The terms of the security in the form of bank mortgages (*bankhypotheken*, the "**Bank Mortgages**"), bank pledges ("**Bank Pledges**") and bank sureties ("**Bank Sureties**", and jointly with Bank Mortgages and Bank Pledges, the "**Bank Relevant Security**") provide that the relevant security rights secure the amounts which are due or may become due from the Borrowers to the relevant Local Rabobank(s) and/or relevant Rabobank Group Company(ies)

(as the case may be) in connection with loans, current account claims or claims of whatever nature. Other security arrangements can be regarded as fixed security, which only secure the relevant Loan.

As stated below in the paragraph *Impact of Reorganisation on Security Structure*, if the Receivables are secured through the Sureties, the Issuer will not obtain the direct benefit of the Relevant Security.

#### *Case law and literature*

It is not in all circumstances clear whether, in the event of assignment or pledge of a receivable secured directly by a Bank Relevant Security, the security rights created by the Bank Relevant Security will follow such a receivable.

Relevant case law in relation to Bank Mortgages indicates that the question of whether the mortgage rights created by the Bank Mortgage will follow the receivables is dependent on the intention of the parties at the time that they entered into the mortgage deed. If the parties intended the mortgage right to be a personal right of the mortgagee, it could be argued that the mortgage right will not follow the receivable. In other cases, the mortgage right would in principle follow the receivable.

The view described in the previous paragraph is supported by recent legal literature. However, in other legal literature the view has been defended that the Bank Mortgage would only follow the receivables which it directly secures if the relationship between the lender and the borrower has been terminated in such a manner that, following the transfer of the receivables, the lender can no longer acquire new receivables that would be secured by the Bank Mortgage. In line with this view, Dutch mortgage securitisation transactions typically provided for a partial termination of the Bank Mortgage by the lender to the extent that it related to receivables that were not securitised. The Issuer has however been advised that, for the reasons set out below, such partial termination is not required in the current circumstances.

#### *Interpretation*

In determining whether a Bank Relevant Security follows the receivable to which it is connected, the wording of the relevant mortgage deed, pledge deed or surety agreement is a clear indication of the intentions of the parties. The Issuer has been advised that, taking into account the nature of a Bank Relevant Security as an ancillary right rather than a personal and an independent right, the Bank Relevant Security will partially follow the Receivable upon assignment or pledge of the Receivable to a third party, unless the parties to the relevant security document actually intended the Bank Relevant Security to be a personal and independent right of the mortgagee, pledgee or beneficiary of surety rather than a right that is ancillary to the Receivables it purports to secure. Certain General Conditions used by the Local Rabobanks provide that the relevant right of pledge is a purely personal right (*zuiver persoonlijk recht*) of the relevant pledgee(s) (or its successor) which only (partially) follows the relevant receivable with the prior written consent of the relevant pledgee(s). In the SSA each relevant Local Rabobank and each relevant Rabobank Group Company grants any required consent for, amongst other things, the transfer of Relevant Security in relation to the assignment of the Receivables in accordance with the terms of the SSA, the transfer of Relevant Security in relation to the assignment of the Receivables in accordance with the terms of the Receivables



Purchase Agreement and the transfer of Relevant Security in relation to the creation of the right of pledge over the Receivables in accordance with the terms of the Receivables Pledge Agreement, respectively. In addition, the Seller has represented in the Receivables Purchase Agreement that neither an Originator, nor any other Local Rabobank, a Rabobank Group Company nor the Seller has entered into any agreements with a Borrower as a result of which any Relevant Security relating to a Receivable would not (partially) follow such Receivable upon assignment or pledge of such Receivable to any third party.

For the reasons set out above and on the assumption that by including the wording in the relevant General Conditions as set out above the parties indeed intended that the Relevant Security would transfer with the relevant Receivable provided that the consent is given, the Issuer has been advised that the Relevant Security that directly secure the obligations of the Borrower under a Portfolio Loan will partially follow the related Receivables upon their transfer.

#### 4. ***Impact of Reorganisations on Security Structure***

##### *Introduction*

The Rabobank Group has been and continues to be subject to reorganisations that have resulted in a reduction of Local Rabobanks (or their predecessors) and rationalisation of businesses of Local Rabobanks (or their predecessors). Taking into account the state of the law at the time that the relevant reorganisation occurred, such reorganisation consisted of (i) a contractual transfer of all assets and liabilities of a Local Rabobank to another Local Rabobank, (ii) a legal merger (*fusie*) of one or more Local Rabobanks, (iii) a contractual transfer of certain assets and liabilities of a Local Rabobank to another Local Rabobank (including particular client relationships) and (iv) a legal demerger (*afplitsing*) of certain assets and liabilities of a Local Rabobank (including particular client relationships) to another Local Rabobank. The arrangements referred to under (i) and (iii) were mainly used until 1 October 2004. Since 1 October 2004 reorganisations are normally effected through the arrangements set out in (ii) and (iv).

The reorganisation arrangements have an impact on the security structure that supports the Portfolio Loans. More in particular, if the Portfolio Loan is a Sole Creditor LB Loan and has been transferred as part of the reorganisation in accordance with the arrangements described under (i) and (iii) above, the corresponding Receivables will not have the direct benefit of Bank Relevant Security, but will be secured through a surety arrangement as further described below.

##### *Contractual transfers*

In the circumstances where the reorganisation is effected through a contractual transfer of assets and liabilities by one Local Rabobank (the "**Transferring Bank**") to another Local Rabobank (the "**Acquiring Bank**"), the Transferring Bank transfers the relevant contractual relationship to the Acquiring Bank (including the relevant Loan). The relevant contract provides, *inter alia*, that any Bank Relevant Security is explicitly excluded from such transfer. However, the Transferring Bank grants a surety (*borgtocht*) (the "**LB Surety**") to the Acquiring Bank with regard to any claims which the Acquiring Bank may have on the Borrower under the transferred Loan. The amount payable under the LB Surety is limited to the foreclosure proceeds of the Bank Relevant Security.

Based on this arrangement, if a Borrower under a Receivable fails to pay, the Acquiring Bank can demand payment from the Transferring Bank under the LB Surety. If the Transferring Bank makes a payment under the LB Surety it obtains a recourse claim against the Borrower, for which it can (if the Borrower also fails to pay this recourse claim) foreclose under the Bank Relevant Security and use the proceeds thereof to reimburse the payment it made under the LB Surety.

The Acquiring Bank has therefore not obtained a direct interest in the Bank Relevant Security but an indirect interest (through the Transferring Bank) in the Bank Relevant Security that is subject to the arrangements set out in the LB Surety and the relevant Receivables will be secured by the LB Surety rather than by the Bank Relevant Security. The recourse obligations under the LB Surety are secured by the Bank Relevant Security.

Where the Transferring Bank transferred all of its assets and liabilities to the Acquiring Bank, this was done with a view that such Transferring Bank would be dissolved and in due course be liquidated. Such liquidation was, however, not possible for as long as claims under the LB Surety existed, since final liquidation of the Transferring Bank would result in the loss of the Bank Relevant Security.

Since 2004, however, Local Rabobanks that are in the course of liquidation and have issued LB Sureties have been merged with other Local Rabobanks. In order to ensure that the LB Surety and the related Bank Relevant Security would not be extinguished as a result of such merger, the Seller incorporated Stichting Waarborg Rabobank, a Netherlands law foundation (*stichting*, hereafter the "**Stichting**") for the purpose described below.

Immediately prior to the legal merger (in which case all assets and liabilities of the transferring Local Rabobank will be transferred under universal title to the acquiring Local Rabobank) of a Local Rabobank (which for the purpose of this paragraph is also referred to as a Transferring Bank) and another Local Rabobank (which for the purpose of this paragraph is also referred to as an Acquiring Bank), the Stichting grants a surety (the "**Stichting Surety**") to the Acquiring Bank for, *inter alia*, all obligations of the Borrower under the relevant Loan to the Acquiring Bank. The Transferring Bank thereupon grants a surety (the "**TB Surety**") and together with the LB Surety and the Stichting Surety, the "**Sureties**") to the Stichting for the Stichting's recourse claim under the Stichting Surety against the Borrower.

The legal merger is effected after the Stichting and the Transferring Bank have granted the Stichting Surety and the TB Surety, respectively, and the Acquiring Bank will have acquired a claim on the Borrower that is secured by the Bank Relevant Security (albeit on an indirect basis (through the Stichting Surety)). See also the paragraph entitled *Legal merger and demerger* below.

Under Netherlands law a surety is an accessory right (*afhankelijk recht*) that follows by operation of law the receivable with which it is connected. Furthermore, a surety is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law. As there is no indication in the text of the Sureties that they have to be construed as purely personal rights, the rights under the Sureties should in principle follow the Receivable if such Receivable is transferred. This means that if the Acquiring Bank assigns the corresponding Receivables to the Seller, and the

Seller assigns such Receivables to the Issuer, the Receivables will continue to be secured by the LB Surety or the Stichting Surety (as the case may be), and the Seller and the Issuer, respectively, will therefore have an indirect interest in the Bank Relevant Security.

The involvement of the Transferring Bank in case of Receivables secured by the LB Surety and the involvement of the Stichting and the Acquiring Bank in case of Receivables secured by the Stichting Surety will be required for the foreclosure of the Bank Relevant Security. The SSA contains, *inter alia*, arrangements with the Local Rabobanks and the Stichting that confirm the foreclosure arrangements on the basis of the Sureties as described above.

If the Local Rabobank holding the Bank Relevant Security on the basis of the Sureties is declared bankrupt or becomes subject to special measures, the Issuer will require the cooperation of the relevant bankruptcy official of such Local Rabobank in order to foreclose the Bank Relevant Security granted in connection with a Portfolio Loan whilst the claims under the Sureties are themselves unsecured and non-preferred payment obligations of the relevant Local Rabobank.

Therefore, it is uncertain if in these circumstances the Issuer will receive any of the proceeds resulting from a foreclosure of the Bank Relevant Security if the Issuer made a claim under the LB Surety or Stichting Surety (as the case may be).

#### *Legal merger and demerger*

Since 1 October 2004, the reorganisations of Local Rabobanks have mainly been effected through legal mergers and demergers. In the case of a legal merger, all assets and liabilities of the transferring Local Rabobank will be transferred under universal title to the acquiring Local Rabobank. After the legal merger the transferring Local Rabobank will cease to exist. Under a legal demerger, a Local Rabobank will transfer a certain part of its assets and the liabilities corresponding thereto with regard to specific clients (including the Loans with such clients) under universal title to another Local Rabobank.

Although there is no case law to support this view, there are good arguments that in the above circumstances the acquiring Local Rabobank will obtain the Bank Relevant Security that was originally granted to the transferring Local Rabobank by operation of law. The basis for this argument is that the acquiring Local Rabobank will continue the credit relationship (*kredietrelatie*) with the client of the transferring Local Rabobank and that the Bank Relevant Security transfers together with that relationship. The Receivables will in that case be directly secured by the Bank Relevant Security.

Assuming that the above view is correct, the Seller will upon a transfer of the Receivables by the Originators and the Issuer will upon a transfer of the Receivables by the Seller, obtain the benefit of the Bank Relevant Security in respect of the transferred Receivables and hold a direct interest in such security.

### **5. *Joint Security***

#### *General*

With regard to Joint Creditor Loans and Sole Creditor LB Loans, it is possible that the Receivables and other claims of the relevant Local Rabobank(s) and/or the relevant Rabobank

Group Compan(y)(ies) are secured by the same Bank Relevant Security and the relevant Bank Relevant Security is, therefore, co-held by the relevant Local Rabobank(s) and/or the relevant Rabobank Group Compan(y)(ies) (as the case may be) (and following the assignment of such Receivables to the Seller), the Seller as holders of receivables against the Borrower.

#### *Pari passu ranking*

The claims of the Issuer under the Bank Relevant Security and the Sureties rank *pari passu* with the claims of the Local Rabobanks (or any other party to which such Local Rabobank has assigned any receivables that are secured by a Bank Relevant Security) and/or the Rabobank Group Companies (or any other party to which such Rabobank Group Company has assigned any receivables that are secured by a Bank Relevant Security) (insofar relating to Loans in respect of which the Issuer acquired the relevant Receivables) secured by the same Bank Relevant Security. This means that upon a foreclosure of a Bank Relevant Security, the Issuer will only have a *pro rata* entitlement to the proceeds of such Bank Relevant Security.

No arrangements will be made between the Local Rabobanks, the Rabobank Group Companies and the Issuer that mitigate the risk that there will be insufficient foreclosure proceeds to pay both the claims of the Issuer, the relevant Rabobank Group Compan(y)(ies) and/or the relevant Local Rabobank(s) in full.

#### *Authority to foreclose*

With respect to Joint Creditor Loans and Sole Creditor LB Loans, if a relevant Rabobank Group Company and/or a relevant Local Rabobank still have/has claims against the Borrowers, the Bank Relevant Security will, following a perfected assignment or pledge of the Receivables, be co-held by the Issuer as holder of the Receivables (or the Security Trustee as pledgee of the Receivables), and the relevant Rabobank Group Compan(y)(ies) and/or the relevant Local Rabobank(s) (or any of their assignees). The Bank Relevant Security would in that case secure the Receivables (held by the Issuer or pledged to the Security Trustee) and any claims of the relevant Rabobank Group Compan(y)(ies) and/or the relevant Local Rabobank(s) (or their assignees) against a relevant Borrower.

The rules applicable to co-ownership (*gemeenschap*) will apply to such co-held security. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights.

In the Receivables Purchase Agreement, the Seller on behalf of itself, each Rabobank Group Company and each Local Rabobank will agree with the Issuer and the Security Trustee that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. The Seller on behalf of itself, each Rabobank Group Company and each Local Rabobank will further agree that, in case they transfer any receivables secured by the same Bank Relevant Security as the Receivables, they will ensure that the relevant transferee will make similar arrangements with the Issuer and the Security Trustee.

It is uncertain whether the foreclosure of the Bank Relevant Security will be considered as day-to-day management, and consequently the consent of the bankruptcy trustee (in case of bankruptcy) or administrator (in case of special measures) of a relevant Rabobank Group Company or a relevant Local Rabobank, as the case may be, or their assignee, may be required for such foreclosure. Such consent may be difficult to obtain or be delayed and adversely affect

the ability of the Issuer to exercise the Bank Relevant Security and to take recourse against the property secured thereby.

#### **6. *Impact of insolvency on pledges***

Registration of a deed of pledge after the Issuer has been declared bankrupt or has become subject to a suspension of payments, will not be effective and, consequently, in such event the Receivables will not have been validly pledged in favour of the Security Trustee.

In respect of payments under pledged Receivables made to the Issuer following notification of the assignment of the Receivables to the Issuer but prior to notification of the pledge and prior to the Issuer having been declared bankrupt or having become subject to a suspension of payments, and not on-paid to the Security Trustee prior to the insolvency of the Issuer, the Security Trustee will be an ordinary, non-preferred creditor, having an insolvency claim. In respect of post-insolvency payments, the Security Trustee will be a preferred creditor having an insolvency claim. Creditors of insolvency claims have to share in the general insolvency costs and have to await finalisation of a (provisional) distribution list (*voorlopige uitdelingslijst*). The position of the Security Trustee under the Issuer Rights Pledge Agreement would be similarly affected.

The Security Trustee can, in the event of bankruptcy or suspension of payments involving the Issuer, exercise its rights under the Pledge Agreements as if there were no bankruptcy or suspension of payments. However, if the Issuer would be declared bankrupt or becomes subject to a suspension of payments, the position of the Security Trustee as pledgee under the Pledge Agreements would be affected in some respects, the most important of which are, that: (i) a mandatory cooling-off period (*afkoelingsperiode*) of up to four (4) months may apply in the case of bankruptcy or suspension of payments involving the Issuer (applicable in respect of each procedure), which, if applicable, would delay the exercise of enforcement rights under the Pledge Agreements, and (ii) the Security Trustee could be obliged to enforce its rights of pledge under the Pledge Agreements within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of the Issuer, failing which the bankruptcy trustee will be entitled to sell the relevant rights or assets and distribute the proceeds to the Security Trustee.

The observations set out in this paragraph in relation to pledges apply *mutatis mutandis* to any right of pledge or mortgage created by a Borrower, provided that in relation to Borrowers, insolvency proceedings are also deemed to include debt restructuring arrangements (*schuldsaneringsregelingen*).

#### **7. *Future rights***

To the extent that rights purported to be pledged by the Issuer to the Security Trustee under the Issuer Rights Pledge Agreement or any other Pledge Agreement are future rights, such assets are no longer capable of being pledged after a bankruptcy or suspension of payments involving the Issuer taking effect. The Issuer has been advised that this would for example apply to amounts that are paid to the Accounts and the Liquidity Facility Stand-by Drawing Account or any other bank account of the Issuer following the bankruptcy or suspension of payments involving the Issuer taking effect. The Issuer has also been advised that the rights of the Issuer

under the Transaction Documents purported to be pledged to the Security Trustee under the Issuer Rights Pledge Agreement should likely be regarded as future rights.

#### **8. *Long leases***

The mortgage rights securing, *inter alia*, the Portfolio Loans may be vested in a long lease (*erfpacht*), as further described in the section entitled *Description of Loans*.

A long lease will terminate, *inter alia*, as a result of expiration of the long lease term (in case of lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease if the leaseholder has not paid the remuneration agreed under the long lease for a period exceeding two consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder, such compensation to be calculated in accordance with the applicable rules of Netherlands law. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder against the landowner for such compensation. The amount of the compensation will be determined by, amongst other things, the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Loan to be secured by a mortgage right on a long lease, the relevant Local Rabobanks have taken into consideration the conditions of the long lease, including its term. The acceptance conditions used by the Local Rabobanks provide that the Loan must have a maturity that is equal to or shorter than the term of the long lease.

#### **9. *Payments on the Portfolio Loans***

Payments on the Portfolio Loans are subject to credit, liquidity and interest rate risks and will generally vary in response to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by, and insolvencies of, Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Portfolio Loans.

#### **10. *Losses associated with the Relevant Security***

The value of the right of pledge on the Receivables created under the Receivables Pledge Agreement as security for the Notes may be affected by, *inter alia*, the following factors (i) not all Receivables are secured by Relevant Security, (ii) a decline in the value of the Secured Assets, (iii) the amount of the other claims may fluctuate over time and (iv) the Issuer is only entitled to receive its share of the foreclosure value of the Relevant Security. No assurance can be given that values of the Secured Assets remain or will remain at the level at which they were on the date of origination of the related Loans. All of these factors could result in losses to the Noteholders if such security is required to be enforced.

#### **11. *Right of pledge on rent instalments***

Some of the Receivables may be (amongst others) secured by a right of pledge on rent instalments (*huurpenningen*) owed by third parties to some of the Borrowers. The Issuer has been advised that under Netherlands law, rent instalments are regarded as future claims

(*toekomstige vorderingen*) and a right of pledge thereon will only become effective at the time the relevant rent instalment becomes due (*vervalt*). In the event a rent instalment becomes due after the relevant Borrower has been declared bankrupt (*failliet verklaard*) or been made subject to a suspension of payments (*surseance van betaling verleend*) or a debt restructuring arrangement (*schuldsaneringsregeling*), such rent instalment will become part of the relevant Borrower's bankruptcy estate and is no longer subject to a right of pledge. This would reduce the foreclosure proceeds available to the Issuer and could result in losses to the Noteholders.

**12. *Proceeds of insurance policies***

Some of the Receivables are (amongst others) secured by means of a right of pledge on one or more insurance policies or a beneficiary arrangement in respect of one or more insurance policies. As a result of fluctuations in the underlying value of investments that determine the amounts payable under such insurance policies or as a result of a default by an insurance company to pay the amounts due under such insurance policies, the proceeds of insurance policies may be substantially lower than originally anticipated. The Issuer's share in the foreclosure value of the Relevant Security in relation to these assets may therefore be lower than the principal amount outstanding of the relevant Receivable at the time of the foreclosure. This could result in losses to the Noteholders.

**13. *Foreclosure value of assets***

Some of the Receivables are (amongst others) secured by means of a right of pledge on stock (*voorraden*) and/or on equipment and inventory (*inventaris*). The foreclosure value of movable assets such as stock, equipment and inventory is often substantially lower than the original purchase price of these assets. The Issuer's share in the foreclosure value of the Relevant Security in relation to these assets may therefore be lower than the principal amount outstanding of the relevant Receivable at the time of the foreclosure. This could result in losses to the Noteholders.

## TRANSACTION PARTIES AND TRANSACTION DESCRIPTION

*The following is a description of the principal features of the issue of the Notes. This description should be read in conjunction with, and is qualified in its entirety by the detailed information presented elsewhere in this Prospectus. This description is not a summary as referred to in Article 5:14 of the FMSA.*

### THE PARTIES

<b>Issuer:</b>	BEST SME 2008 B.V., incorporated under the laws of The Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (the " <b>Issuer</b> ").
<b>Seller:</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of The Netherlands as a cooperative with limited liability ( <i>coöperatie met beperkte aansprakelijkheid</i> ) whose registered office is at Croeselaan 18, 3521 CB Utrecht, The Netherlands (" <b>Rabobank</b> " and the " <b>Seller</b> ").
<b>Local Rabobanks and Originators:</b>	Each local cooperative credit institution which is a member of the Rabobank Group and which is identified in the SSA as having authorised the Seller to effect a transfer ( <i>juridische overdracht</i> ) to the Seller of one or more Receivables selected by the Seller for the purpose of selling and transferring such Receivables to the Issuer under the terms of the Receivables Purchase Agreement (a " <b>Local Rabobank</b> " and jointly, the " <b>Local Rabobanks</b> "). Each Local Rabobank of which the Seller has pursuant to the SSA selected one or more Receivables for the purpose of selling and transferring such Receivables to the Issuer under the terms of the Receivables Purchase Agreement, an " <b>Originator</b> " and jointly, the " <b>Originators</b> ").
<b>Rabobank Group Companies</b>	<p>(a) FGH Bank N.V., incorporated under the laws of The Netherlands as a public company with limited liability (<i>naamloze vennootschap</i>) whose registered office is at Leidseveer 50, 3511 SB Utrecht, The Netherlands; and</p> <p>(b) Rabohypothekbank N.V., incorporated under the laws of The Netherlands as a public company with limited liability (<i>naamloze vennootschap</i>) whose registered office is at Croeselaan 18, 3521 CB Utrecht, The Netherlands,</p>



	each a " <b>Rabobank Group Company</b> " and jointly, the " <b>Rabobank Group Companies</b> ".
<b>Security Trustee:</b>	Stichting Security Trustee BEST SME 2008, established under the laws of The Netherlands as a foundation ( <i>stichting</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (the " <b>Security Trustee</b> ").
<b>Servicer:</b>	Rabobank (the " <b>Servicer</b> ").
<b>Issuer Administrator:</b>	ATC Financial Services B.V., established under the laws of The Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (the " <b>Issuer Administrator</b> ").
<b>Shareholder:</b>	Stichting BEST SME 2008 Holding, established under the laws of The Netherlands as a foundation ( <i>stichting</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (the " <b>Shareholder</b> ").
<b>Issuer Director:</b>	ATC Management B.V., incorporated under the laws of The Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (" <b>ATC Management</b> " and the " <b>Issuer Director</b> ").
<b>Shareholder Director:</b>	ATC Management (the " <b>Shareholder Director</b> ").
<b>Security Trustee Director:</b>	Amsterdamsch Trustee's Kantoor B.V., incorporated under the laws of The Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) whose registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (the " <b>Security Trustee Director</b> " and together with the Issuer Director and the Shareholder Director, the " <b>Directors</b> " and each an " <b>ATC Entity</b> ").
<b>Swap Counterparty:</b>	Rabobank (the " <b>Swap Counterparty</b> ").
<b>Account Bank:</b>	Rabobank (the " <b>Account Bank</b> ").
<b>Floating Rate GIC Provider:</b>	Rabobank (the " <b>Floating Rate GIC Provider</b> ").
<b>Liquidity Facility Provider:</b>	Rabobank (the " <b>Liquidity Facility Provider</b> ").

<b>CD Principal Paying Agent:</b>	Deutsche Bank AG, acting out of its office at 1 Great Winchester Street, London EC2N 2DB, United Kingdom (" <b>Deutsche Bank AG, London Branch</b> ") (" <b>CD Principal Paying Agent</b> ").
<b>CD Paying Agent:</b>	Deutsche Bank AG, Amsterdam Branch, acting out of its office at Herengracht 450-454, 1017 CA Amsterdam, The Netherlands (" <b>Deutsche Bank AG, Amsterdam Branch</b> ") (the " <b>CD Paying Agent</b> ") and together with the CD Principal Paying Agent, the " <b>CD Paying Agents</b> ").
<b>EN Principal Paying Agent:</b>	Rabobank, trading as Rabobank International (the " <b>EN Principal Paying Agent</b> " and together with the CD Principal Paying Agent, the " <b>Principal Paying Agents</b> ").
<b>EN Paying Agent:</b>	Rabobank, trading as Rabobank International (the " <b>EN Paying Agent</b> " and together with the CD Paying Agents, the " <b>Paying Agents</b> ").
<b>CD Common Depositary:</b>	Deutsche Bank AG, London Branch (the " <b>CD Common Depositary</b> ").
<b>Reference Agent:</b>	Deutsche Bank AG, London Branch (the " <b>Reference Agent</b> " and together with the Paying Agents, the " <b>Agents</b> ").
<b>Listing Agent:</b>	Rabobank, trading as Rabobank International (" <b>Rabobank International</b> " and the " <b>Listing Agent</b> ").
<b>Moody's:</b>	Moody's Investors Service Limited (" <b>Moody's</b> ").
<b>S&amp;P:</b>	Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. (" <b>S&amp;P</b> " and together with Moody's, the " <b>Rating Agencies</b> ").
<b>Manager:</b>	Rabobank, trading as Rabobank International (the " <b>Manager</b> ").
<b>THE NOTES</b>	
<b>Notes:</b>	<p>On or about the Closing Date (or such later date as may be agreed between the Issuer and the Manager), the Issuer shall issue:</p> <ul style="list-style-type: none"> <li>(a) the Class A Notes;</li> <li>(b) the Class B Notes;</li> <li>(c) the Class C Notes;</li> </ul>

	<p>(d) the Class D Notes;</p> <p>(e) the Class E Notes; and</p> <p>(f) the Class F Notes.</p> <p>The Notes will be subject to the Conditions.</p>
<b>Issue Price:</b>	<p>The issue price shall be for:</p> <p>(a) the Class A Notes, 100 per cent.;</p> <p>(b) the Class B Notes, 100 per cent.;</p> <p>(c) the Class C Notes, 100 per cent.;</p> <p>(d) the Class D Notes, 100 per cent.;</p> <p>(e) the Class E Notes, 100 per cent.;</p> <p>(f) the Class F Notes, 100 per cent.</p>
<b>Denomination:</b>	<p>The Notes will be issued in denominations of €50,000.</p>
<b>Status and Ranking:</b>	<p>The Notes of each Class rank <i>pari passu</i> without any preference or priority among the Notes of the same Class. Subject to and in accordance with the Conditions and the Trust Deed:</p> <p>(a) the Class A Notes rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;</p> <p>(b) the Class B Notes rank in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;</p> <p>(c) the Class C Notes rank in priority to the Class D Notes, the Class E Notes and the Class F Notes;</p> <p>(d) the Class D Notes rank in priority to the Class E Notes and the Class F Notes; and</p> <p>(e) the Class E Notes rank in priority to the Class F Notes,</p> <p>all in point of payment and security.</p> <p>See further the section entitled <i>Terms and Conditions of the Notes</i>.</p>

<p><b>Interest:</b></p>	<p>Each of the Notes shall bear interest on its Principal Amount Outstanding.</p> <p>Interest on the Notes is payable in arrears and by reference to a Quarterly Interest Period, and shall be payable on a Quarterly Payment Date.</p> <p>Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next following Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in April 2009.</p> <p>Interest on the Notes will be calculated on the basis of the actual days elapsed in a Quarterly Interest Period and a year of 360 days.</p> <p>A "<b>Business Day</b>" means a day, other than a Saturday or Sunday, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("<b>TARGET2 System</b>") or any successor to the TARGET2 System is operating credit or transfer instructions in respect of payments in euro and on which banking institutions in Amsterdam are generally open for commercial business.</p> <p>Subject to Condition 5 (<i>Interest</i>), interest on the Notes from (and including) the Closing Date up to (but excluding) the First Optional Redemption Date, will accrue at an annual rate equal to the sum of:</p> <ul style="list-style-type: none"> <li>(a) the Euro Reference Rate; <i>plus</i></li> <li>(b) <ul style="list-style-type: none"> <li>(i) for the Class A Notes, a margin equal to 0.00 per cent. per annum;</li> <li>(ii) for the Class B Notes, a margin equal to 6.00 per cent. per annum;</li> <li>(iii) for the Class C Notes, a margin equal to 7.50 per cent. per annum;</li> <li>(iv) for the Class D Notes, a margin equal to 12.00 per cent. per annum;</li> <li>(v) for the Class E Notes, a margin equal to 16.50 per cent. per annum; and</li> </ul> </li> </ul>
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	(vi) for the Class F Notes, a margin equal to 0.00 per cent. per annum.
<b>Interest Rate Step-Up:</b>	<p>Subject to Condition 5 (<i>Interest</i>), if on the First Optional Redemption Date, the Notes of any Class have not been redeemed in full, the margin on the Notes except for the Class A Notes and the Class F Notes, will change. In such circumstances, interest on the Notes will accrue at an annual rate equal to the sum of:</p> <p>(a) the Euro Reference Rate; <i>plus</i></p> <p>(b)</p> <p>(i) for the Class B Notes, a margin equal to 12.00 per cent. per annum;</p> <p>(ii) for the Class C Notes, a margin equal to 15.00 per cent. per annum;</p> <p>(iii) for the Class D Notes, a margin equal to 24.00 per cent. per annum; and</p> <p>(iv) for the Class E Notes, a margin equal to 33.00 per cent. per annum;</p> <p>In the circumstances described in the paragraph above, for the Class A Notes and the Class F Notes, a margin equal to 0.00 per cent. per annum will continue to apply.</p>
<b>Final Maturity Date:</b>	Unless previously redeemed, the Issuer will redeem the Notes in full (but not some only) on the Quarterly Payment Date falling in January 2026 (the " <b>Final Maturity Date</b> ").
<b>Mandatory Redemption of the Notes:</b>	<p>Subject to:</p> <p>(a) the Issuer having sufficient Notes Redemption Available Funds on a Quarterly Payment Date; and</p> <p>(b) the Security Trustee not having delivered an Enforcement Notice in accordance with Condition 12 (<i>Events of Default</i>),</p> <p>the Issuer will apply Notes Redemption Available Funds to redeem (in whole or in part) the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at their Principal Amount Outstanding, subject to and in accordance with the Conditions and the applicable Priority of Payments.</p>

	<p>The Class F Notes will be redeemed from the application of the Interest Available Funds only, and subject to and in accordance with the Conditions and the applicable Priority of Payments.</p> <p>See further the section entitled <i>Credit Structure</i>.</p>
<b>Mandatory Redemption of Notes following exercise of Seller Clean-Up Option or Regulatory Call Option:</b>	<p>On the relevant Quarterly Payment Date following the exercise by the Seller of the Seller Clean-Up Option or the Regulatory Call Option, the Issuer shall subject to Condition 7.6 (<i>Redemption of the Notes following the exercise of the Seller Clean-Up Option</i>) or Condition 7.7 (<i>Redemption of the Notes following the exercise of the Regulatory Call Option</i>), respectively, redeem all (but not some only) the Notes (except for the Class F Notes), at their Principal Amount Outstanding plus accrued but unpaid interest, after payment of amounts to be paid in priority to the Notes.</p>
<b>Optional Redemption of Notes:</b>	<p>Subject to Condition 7.8 (<i>Optional redemption by the Issuer</i>), the Issuer will have the right (but not the obligation) to redeem all (but not some only) of the Notes (except for the Class F Notes), on an Optional Redemption Date. In respect of a sale of Receivables to a third party (other than the Seller) in connection with the exercise of an Issuer Call Option, the Issuer may only exercise such Issuer Call Option if, amongst other things, the aggregate purchase price for such Receivables is at least equal to the Minimum Third Party Purchase Price. If the Issuer cannot sell the Receivables for at least the Minimum Third Party Purchase Price to a third party (other than the Seller), a relevant Option Notice is deemed revoked and the Issuer shall not be entitled to exercise the Issuer Call Option on the relevant Optional Redemption Date.</p> <p><i>Sale of Receivables</i></p> <p>If the Issuer exercises its right to redeem the Notes on any Optional Redemption Date, it shall sell the Receivables. The Issuer shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 Business Days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 Business Day period, the Issuer may offer such Receivables for sale to any third party. The purchase price of such Receivables will be calculated as described in <i>Sale of Receivables by the Issuer in connection with redemption</i> below.</p>

	<p>With the proceeds of a sale to either the Seller or a third party, it will redeem the Classes of Notes (except for the Class F Notes) at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall and, if the Receivables are sold to the Seller and there are Defaulted Receivables, the relevant Estimated Shortfall. The Principal Shortfall in respect of a Note of a Class on such date is an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Quarterly Payment Date divided by the number of the Notes of the relevant Class on such Quarterly Payment Date. If the Receivables have been sold to the Seller and there are Defaulted Receivables, the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will after such redemption be equal to the relevant Estimated Shortfall.</p> <p>Subject to and in accordance with Condition 7.8 (<i>Optional redemption by the Issuer</i>), there may be further redemption payments in respect of such remaining Principal Amount Outstanding on the four succeeding Quarterly Payment Dates.</p> <p>There will be no further claim on the Issuer for any Principal Amount Outstanding in respect of the Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.</p>
<b>Optional Redemption for Tax Reasons:</b>	<p>If (a) the Issuer is or will become obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes, or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest in respect of any Class of Notes, as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any other jurisdiction or any political sub-division or any authority thereof or therein</p>

	<p>having power to tax, or any change in the application or official interpretation of such laws or regulations (including a ruling by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation or limitation (as applicable) cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option (but not the obligation) to redeem all of the Notes in whole (but not in part) together with interest accrued up to and including the date of redemption, subject to Condition 7.9 (<i>Optional redemption for tax reasons</i>).</p>
<b>Seller Clean-Up Option:</b>	<p>The Seller has the option (but not the obligation) to purchase all Receivables on any Quarterly Payment Date (the "<b>Seller Clean-Up Option</b>") in the circumstances described in Condition 7.6 (<i>Redemption of the Notes following the exercise of the Seller Clean-Up Option</i>). See <i>Optional Redemption of Notes</i> above. See further <i>Mandatory redemption of Notes following exercise of Seller Clean-Up Option or Regulatory Call Option</i> above.</p>
<b>Regulatory Call Option:</b>	<p>On each Quarterly Payment Date, the Seller has the option (but not the obligation) to purchase all Receivables on any Quarterly Payment Date (the "<b>Regulatory Call Option</b>") in the circumstances described in Condition 7.7 (<i>Redemption of the Notes following the exercise of the Regulatory Call Option</i>). See <i>Optional Redemption of Notes</i> above. See further <i>Mandatory redemption of Notes following exercise of Seller Clean-Up Option or Regulatory Call Option</i> above.</p>
<b>Withholding Tax:</b>	<p>All payments in respect of the Notes will be made without withholding of, or deduction for, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Paying Agents (as applicable) is/are required by applicable law to make any payment in respect of the Notes subject to any withholding of, or deduction for, such taxes, duties or charges of whatsoever nature. In that event, the Issuer or the Paying Agents (as applicable) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Paying Agents nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.</p>



<b>Method of Payment:</b>	For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro for the credit of the respective accounts of the Noteholders through Euroclear Netherlands, Clearstream Luxembourg and/or Euroclear (as the case may be). See further the section entitled <i>The Global Notes</i> .
<b>Use of Proceeds:</b>	The Issuer will apply the net proceeds of the issue of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes to pay the Initial Purchase Price for the Receivables in accordance with the Receivables Purchase Agreement. The Issuer will apply the net proceeds of the issue of the Class F Notes to fund the Initial Reserve Required Amount in accordance with the Trust Deed and credit such amount to the Reserve Account.
<b>THE RECEIVABLES</b>	
<b>Receivables:</b>	<p>The Issuer will purchase and accept the assignment of certain Receivables of the Seller (which it acquired from the relevant Originator(s) pursuant to the SSA) against certain Borrowers in connection with loans which shall consist of Sole Creditor LB Loans that may consist of one or more loan parts (<i>leningdelen</i>) or Joint Creditor Loans that may consist of one or more loan parts (<i>leningdelen</i>), which were, prior to the assignment to the Seller, fully funded by a Local Rabobank (such loan parts, the "<b>Portfolio Loans</b>") pursuant to a Receivables Purchase Agreement (the "<b>Receivables Purchase Agreement</b>") entered into between the Issuer, the Seller (on behalf of itself and each Local Rabobank and each Rabobank Group Company) and the Security Trustee on or before the Closing Date.</p> <p>The Portfolio Loans and any loan parts under the Joint Creditor Loans (whether or not fully funded by a Local Rabobank or a Rabobank Group Company) or Sole Creditor LB Loans that are not purchased by the Issuer under the Receivables Purchase Agreement shall together be referred to as the "<b>Loans</b>".</p> <p>Pursuant to the SSA, the Seller will acquire the Receivables from the relevant Originator(s) in order to be able to offer the Receivables for sale to the Issuer under the Receivables Purchase Agreement. See further the paragraph entitled <i>Receivables</i> in the section entitled <i>Risk Factors</i> and the section entitled <i>Receivables Purchase Agreements</i>.</p>

	<p>As a result of the purchase and assignment of the Receivables from the Seller, the Issuer will be entitled to any and all rights including all principal amounts due and payable under the Portfolio Loans from (and including) 31 October 2008 (the "<b>Portfolio Cut-Off Date</b>").</p> <p>For this purpose "<b>Borrowers</b>" means the debtors of the Portfolio Loans, including any jointly and severally liable co-debtors of the Portfolio Loans.</p> <p>For this purpose "<b>Receivables</b>" means any and all rights of an Originator, and after the assignment of such rights to the Seller, the Seller and after assignment of such rights to the Issuer, the Issuer, against any Borrower under or in connection with any Portfolio Loan.</p> <p>See further the sections entitled <i>Receivables Purchase Agreement</i> and the paragraphs entitled <i>Bank Relevant Security</i> and <i>Joint Security</i> in the section entitled <i>Risk Factors</i>.</p>
<p><b>Sale of Receivables by the Issuer in connection with redemption:</b></p>	<p>The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and further as provided in the Trust Deed. If the Issuer decides to offer for sale the Receivables it will first offer such Receivables to the Seller.</p> <p>If the Issuer sells and assigns the Receivables on an Optional Redemption Date or in connection with the exercise of the Regulatory Call Option or the Seller Clean-Up Option, the purchase price shall be calculated as follows:</p> <p>(a) If the Receivables are sold to the Seller the purchase price of the Receivables (other than Defaulted Receivables) will be the aggregate principal amount outstanding in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment. The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase</p>

	<p>price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. Upon the sale of the Receivables (including any Defaulted Receivables) to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledgers.</p> <p>(b) If the Receivables are sold to a third party (other than the Seller) the Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) to a third party for a price (such price, the "<b>Minimum Third Party Purchase Price</b>") at least equal to (i) in respect of the Receivables that are not Defaulted Receivables the aggregate principal amount outstanding in respect of such Receivables together with any accrued interest up to but excluding the date of sale and assignment of such Receivables and any costs incurred by the Issuer in effecting and completing such sale and assignment and (ii) in respect of any Defaulted</p>
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	<p>Receivables the aggregate Market Value of such Receivables. Notwithstanding the Issuer's best efforts undertaking, if such purchase price is lower than the aggregate principal amount outstanding in respect of such Receivables (including the Defaulted Receivables), this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger.</p> <p><b>"Bankruptcy"</b> means that a Borrower is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceedings or petition instituted or presented against it, such proceedings or petition (A) results in a judgement of insolvency or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction has an analogous effect to any of the events specified in clauses (1) to (7) inclusive.</p> <p><b>"Credit Event"</b> means: (a) Bankruptcy; (b) Failure to Pay; and/or (c) Restructuring.</p>
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	<p><b>"Defaulted Receivable"</b> means a Receivable in respect of which a Credit Event has occurred.</p> <p><b>"Expected Recoveries"</b> means the expected discounted recoveries estimated by the department of the Seller (subject to verification as described below) involved in the recovery process, based on 1-LGD.</p> <p><b>"Extended Notes Redemption Date"</b> means the fourth succeeding Quarterly Payment Date immediately following the Rated Notes Redemption Date.</p> <p><b>"Failure to Pay"</b> means (x) the failure by the relevant Borrower to make, when and where due any payments under a Portfolio Loan in an aggregate amount of not less than euro 1,000, and (y) such payment failure has been continuing for a period of 90 days or more.</p> <p><b>"Final Market Value"</b> means the sum of the Market Value in respect of each Defaulted Receivable determined on the fourth Quarterly Calculation Date immediately succeeding the Quarterly Payment Date on which the Defaulted Receivable is sold to the Seller, after taking into account recoveries up to such date. The Final Market Value will be determined by the Issuer, the Seller and the Security Trustee jointly.</p> <p><b>"Independent Accountants"</b> means either: (a) any of KPMG N.V., PricewaterhouseCoopers, Ernst &amp; Young Accountants LLP and Deloitte Touche Tohmatsu (and, in each case, including a successor thereof); or (b) a firm of independent accountants or any other firm of independent appraisers, in each case as may be selected by the Issuer from time to time, and in the case of (b) as approved by the Security Trustee, acting reasonably and as notified to the Rating Agencies.</p> <p><b>"LGD"</b> means the loss given default proportion of exposure that will be lost if a default occurs, as determined by the Seller in accordance with the relevant procedures and regulations applied by the Rabobank Group, and which is used for the calculation of economic capital.</p>
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	<p><b>"Market Value"</b> means the sum of the market value in respect of each Defaulted Receivable, which will be the Expected Recoveries of such Defaulted Receivable determined on the Quarterly Payment Date on which the Defaulted Receivable is sold to the Seller or third party (as the case may be). The Market Value will be determined by the Issuer, the Seller and the Security Trustee jointly in the case of a sale to the Seller and the Issuer and the Security Trustee jointly in the case of a sale to a third party.</p> <p><b>"Rated Notes Redemption Date"</b> means the date on which the Notes (other than the Class F Notes) are redeemed (a) in accordance with Condition 7.8 (<i>Optional Redemption by the Issuer</i>) or (b) upon the exercise of the Seller Clean-Up Option in accordance with Condition 7.6 (<i>Redemption of the Notes following the exercise of the Seller Clean-Up Option</i>) or (c) upon the exercise of the Regulatory Call Option in accordance with Condition 7.7 (<i>Redemption of the Notes following the exercise of the Regulatory Call Option</i>) (as the case may be) and, in each case, in respect of which an Estimated Loss Amount is recorded on the Estimated Loss Ledgers on such date.</p> <p><b>"Restructuring"</b> means with respect to a Receivable, any one or more of the following events occurs, is agreed between the relevant Borrower and the relevant Originator(s), and such event is not provided for under the terms of the Loan connected to such Receivable in effect at the Closing Date:</p> <ul style="list-style-type: none"> <li>(A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals under the terms of the Loan connected to such Receivable, as such rate or amounts relate to the Loan connected to such Receivable;</li> <li>(B) a reduction in the principal amount payable under the terms of the Loan connected to such Receivable; or</li> <li>(C) a change in the ranking in priority of payment of any Receivable causing the subordination of such Receivable,</li> </ul> <p>and provided that a senior credit officer of the Servicer has confirmed that the aforementioned actions were required to avoid Bankruptcy or Failure to Pay and to minimise expected losses.</p>
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	<p>Notwithstanding the provisions above, none of the following shall constitute a Restructuring:</p> <p>(D) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A), (B) or (C) above, due to an administrative, accounting, tax or other technical adjustment occurring in the ordinary course of business; or</p> <p>(E) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A), (B) or (C) above, in circumstances where such event does not directly or indirectly occur for the purposes of avoiding the occurrence of Bankruptcy or Failure to Pay.</p>
<b>Verification by Independent Accountants:</b>	<p>If on any Quarterly Payment Date during the Verification Period the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period, exceeds the amount standing to the credit of the Reserve Account as at such Quarterly Payment Date (after application of the Interest Available Funds in accordance with the Interest Priority of Payments on such date), the Independent Accountants will be required to verify that, to the extent that such matters can be objectively verified and on the basis of information supplied by the Seller or otherwise, whether (i) as at the Portfolio Cut-Off Date the relevant Receivables and related Borrowers and Portfolio Loans complied with the Receivable Criteria, and (ii) the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period have been calculated and assessed in accordance with the appropriate methodology (which includes, for the avoidance of doubt, verification whether the relevant Receivables in respect of which a Realised Loss was incurred were indeed Defaulted Receivables), provided that in the Verification Period only two verifications shall be required to be carried out by the Independent Accountants regardless of any such excess on any subsequent Quarterly Payment Date, and of which one shall in any event be required to be carried out by the Independent Accountants on a Rated Notes Redemption Date.</p>

	<p>Each such verification will be carried out by the Independent Accountants promptly following such Quarterly Payment Date or Rated Notes Redemption Date (as the case may be) and will in any case be required to have been carried out at least 10 Business Days prior to the Quarterly Payment Date immediately following such Quarterly Payment Date or Rated Notes Redemption Date (as the case may be).</p>
<b>Set-Off by Borrowers</b>	<p>The Receivables Purchase Agreement provides that if a Borrower invokes a right of set-off for amounts due to it by the Seller, a Local Rabobank or a Rabobank Group Company against the relevant Receivable and, as a consequence thereof, the Issuer has not received on a relevant Portfolio Payment Date the amount which it is entitled to receive in respect of such Receivable, the Seller, such Local Rabobank or Rabobank Group Company will pay to the Issuer on the following Portfolio Payment Date an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable. To secure the obligations of the Seller, the Local Rabobanks and the Rabobank Group Companies in this respect, the Seller shall transfer the Trigger Collateral to the Issuer up to the Trigger Collateral Required Amount. The Issuer and the Security Trustee (as the case may be) shall, on any Quarterly Payment Date, have the right to apply from such Trigger Collateral any unpaid Set-Off Amount as at the immediately preceding Portfolio Payment Date.</p>
<b>Repurchase of Receivables:</b>	<p>The Seller will repurchase and accept the re-assignment to it of all (but not in part only) of a relevant Receivable:</p> <p>(a) on the Portfolio Payment Date following the immediately preceding Portfolio Calculation Period in which the relevant remedy period (if any) expired, if any of the representations and warranties given by the Seller in respect of a Loan and/or a Receivable, including the representation and warranty that the Loan or, as the case may be, the Receivable meets the relevant Receivable Criteria, are untrue or incorrect at the time such representations and warranties are made; or</p>



	<p>(b) on the Portfolio Payment Date following the immediately preceding Portfolio Calculation Period in which an Originator agreed with a Borrower to amend the terms of the Loan, including any applicable terms and conditions (the "General Conditions"), and, inter alia, as a result thereof such Loan no longer meets the Receivable Criteria set forth in the Receivables Purchase Agreement, unless, such amendment is made as part of the enforcement procedures in relation to a Defaulted Receivable.</p> <p>In case of such a repurchase, the purchase price of the relevant Receivable (including any Defaulted Receivable) shall be for an amount equal to the principal amount outstanding of the relevant Receivable, together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivable and any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment.</p>
<b>Portfolio Loans:</b>	<p>The Portfolio Loans in whole or in part (<i>leningdelen</i>) will consist of:</p> <ul style="list-style-type: none"> <li>(a) linear loans;</li> <li>(b) annuity loans;</li> <li>(c) roll-over loans (which are loans which have a base interest rate consisting of EURIBOR); or</li> <li>(d) interest only loans,</li> </ul> <p>and may be secured by the Relevant Security.</p>
<b>Servicing Agreement:</b>	<p>On or before the Closing Date, the Issuer, the Servicer, Rabobank and the Security Trustee will enter into a Servicing Agreement (the "<b>Servicing Agreement</b>"). Under the Servicing Agreement, the Issuer will appoint the Servicer to provide certain payment collection transactional services, including, without limitation, collection services relating to the payment by Borrowers of principal, interest and other amounts in respect of the Portfolio Loans.</p> <p>See further the section entitled <i>Servicing Agreement and Issuer Administration Agreement – Servicing Agreement</i>.</p>

<b>SECURITY</b>	
<b>Relevant Security:</b>	<p>The repayment of the Receivables may be secured by one or more security interests, which include (a) a mortgage right (<i>hypothekrecht</i>), over (i) land (<i>grond</i>), (ii) a real property (<i>onroerende zaak</i>), (iii) an apartment right (<i>appartementsrecht</i>) or (iv) a long lease (<i>erfpacht</i>), (b) a right of pledge (<i>pandrecht</i>) on shares, inventory, rental income, and/or receivables, and/or (c) any other security interest (<i>zekerheidsrecht</i>) such as sureties (<i>borgtochten</i>), pledges, beneficiary arrangements and guarantees (the "<b>Relevant Security</b>" and the assets subject to the Relevant Security, the "<b>Secured Assets</b>").</p> <p>See further the section entitled <i>Description of the Loans</i>.</p>
<b>Trust Deed:</b>	<p>On or before the Closing Date the Issuer and the Security Trustee will enter into a trust deed (the "<b>Trust Deed</b>"). Under the Trust Deed, the Security Trustee shall act as trustee for the Noteholders and the other Secured Parties and shall exercise its powers and authorities subject to and in accordance with the Trust Deed, the Pledge Agreements and the other Transaction Documents. The Conditions are set out in the Trust Deed.</p>
<b>Security for the Notes:</b>	<p>The Notes will on the Closing Date have the benefit of the following security:</p> <ul style="list-style-type: none"> <li>(a) a pledge agreement entered into on or before the Closing Date between the Issuer and the Security Trustee under which the Issuer grants to the Security Trustee an undisclosed first ranking right of pledge over the Receivables (the "<b>Receivables Pledge Agreement</b>"); and</li> <li>(b) a pledge agreement entered into on or before the Closing Date between, amongst others, the Issuer and the Security Trustee (the "<b>Issuer Rights Pledge Agreement</b>" and together with the Receivables Pledge Agreement and any other pledge or security agreement entered into by the Issuer from time to time pursuant to the relevant Transaction Documents, the "<b>Pledge Agreements</b>") under which the Issuer grants to the Security Trustee a disclosed first ranking right of pledge over its rights under or in connection with:</li> </ul>

	<ul style="list-style-type: none"> <li>(i) the Accounts and the Liquidity Facility Stand-by Drawing Account;</li> <li>(ii) the Account Bank Agreement;</li> <li>(iii) the Issuer Administration Agreement;</li> <li>(iv) the Issuer Management Agreement;</li> <li>(v) the Liquidity Facility Agreement;</li> <li>(vi) the Receivables Purchase Agreement;</li> <li>(vii) the Paying Agency Agreement;</li> <li>(viii) the Servicing Agreement; and</li> <li>(ix) the Swap Agreement.</li> </ul>
<b>CASH FLOW</b>	
<b>Liquidity Facility:</b>	<p>On or before the Closing Date, the Issuer, the Liquidity Facility Provider and the Security Trustee will enter into a 364-day term liquidity facility agreement with the Liquidity Facility Provider (the "<b>Liquidity Facility Agreement</b>") pursuant to which the Issuer will, subject to certain conditions, be entitled to make drawings up to the Liquidity Facility Maximum Amount in order to meet certain shortfalls in Interest Available Funds (the "<b>Liquidity Facility</b>"). If the Liquidity Facility Provider does not have certain minimum required ratings, as more particularly described in the section entitled <i>Credit Structure – Liquidity Facility</i>, then, amongst other things, the Issuer shall make a Liquidity Facility Stand-by Drawing and credit such funds to the Liquidity Facility Stand-by Drawing Account.</p> <p>See further the section entitled <i>Credit Structure – Liquidity Facility</i>.</p>
<b>Account Bank Agreement:</b>	<p>On or before the Closing Date, the Issuer, the Account Bank and the Security Trustee will enter into an account bank agreement (the "<b>Account Bank Agreement</b>"). Under the Account Bank Agreement, the Account Bank will open and maintain the Accounts and the Liquidity Facility Stand-by Drawing Account held in the name of the Issuer and provide the Issuer certain account management and cash handling services in respect of the Accounts and the Liquidity Facility Stand-by Drawing Account.</p>

<b>Transaction Account:</b>	<p>The Issuer will maintain with the Account Bank an euro denominated account (the "<b>Transaction Account</b>") for the purposes of crediting, amongst other things, interest and principal receipts paid to it in respect of the Receivables. The Transaction Account shall be administered on behalf of the Issuer by the Issuer Administrator, and the Servicer shall on a Portfolio Payment Date pay into the Transaction Account amounts equal to all amounts collected in respect of the Receivables. See further the section entitled <i>Credit Structure – The Transaction Account</i>.</p>
<b>Reserve Account:</b>	<p>The Issuer will pay the proceeds of the Class F Notes (such amount, the "<b>Initial Reserve Required Amount</b>") into a euro denominated account held with the Account Bank in the name of the Issuer (the "<b>Reserve Account</b>", and together with the Transaction Account, the "<b>Accounts</b>"). Funds credited to the Reserve Account will be used to satisfy the payment obligations the Issuer has if there are insufficient Interest Available Funds to meet its payment obligations on a Quarterly Payment Date.</p> <p>See further the section entitled <i>Credit Structure – The Reserve Account</i>.</p>
<b>Floating Rate GIC:</b>	<p>On or before the Closing Date, the Issuer, the Security Trustee and Rabobank (in its capacity as Account Bank and Floating Rate GIC Provider) will enter into a guaranteed investment contract (the "<b>Floating Rate GIC</b>"). The Floating Rate GIC shall be incorporated into the Account Bank Agreement pursuant to which the Floating Rate GIC Provider shall pay a certain guaranteed rate of interest on all funds standing to the credit of the Accounts and the Liquidity Facility Stand-by Drawing Account.</p> <p>See further the section entitled <i>Credit Structure – Floating Rate Guaranteed Investment Contract</i>.</p>

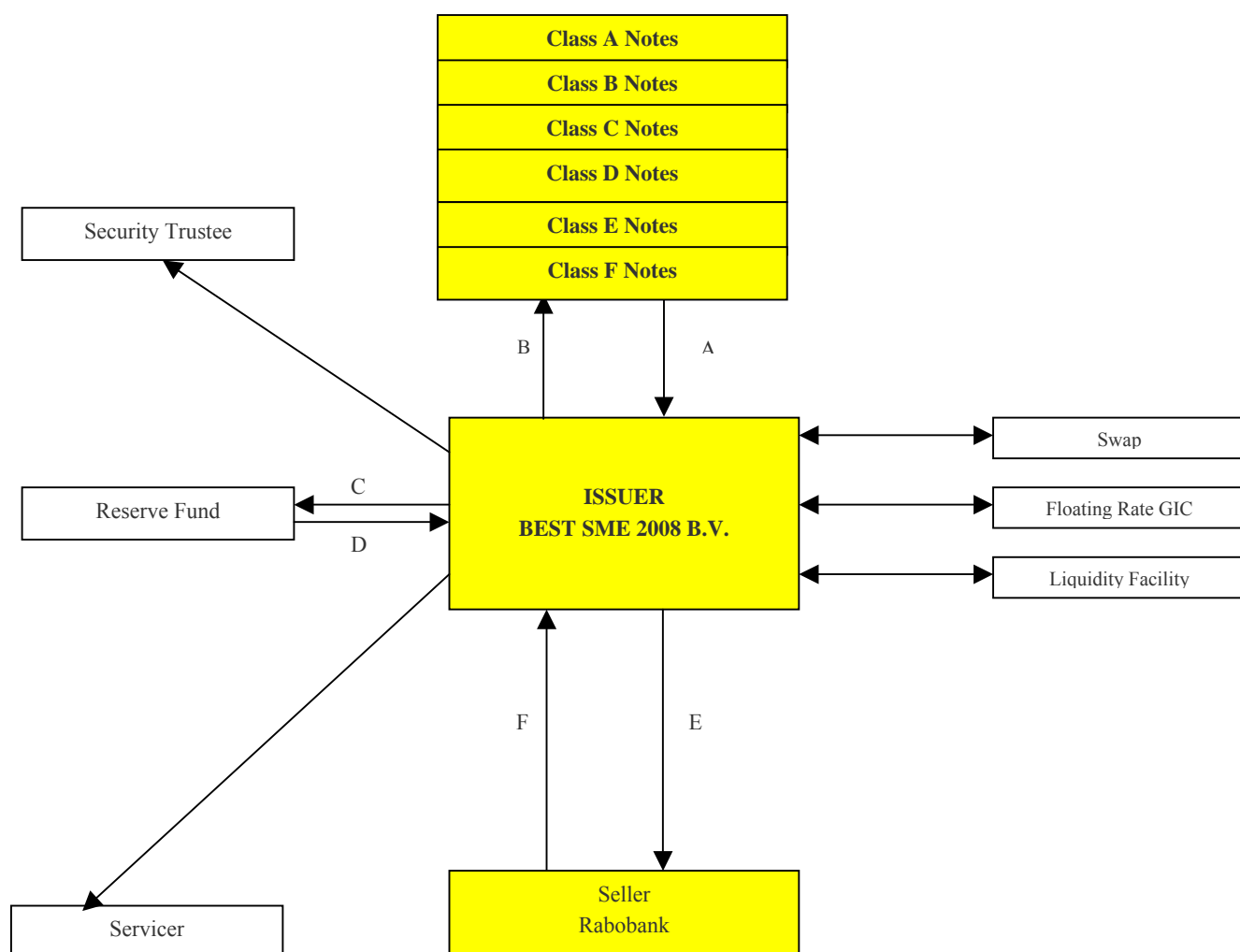
<b>Swap Agreement:</b>	<p>On or before the Closing Date, the Issuer, the Security Trustee and the Swap Counterparty will enter into a swap agreement (the "<b>Swap Agreement</b>"). Under the Swap Agreement, the Issuer will hedge the interest rate risk it is exposed to pursuant to the interest rate income the Issuer will receive under the Receivables and the interest payments the Issuer is obliged to make under the Notes. The Swap Counterparty is subject to certain minimum rating requirements prescribed by the Rating Agencies, as more particularly described in the section entitled <i>Credit Structure – Interest Rate Hedging</i>. If the Swap Counterparty does not meet such requirements, it is obliged to undertake certain actions specified by the Rating Agencies as described in the section entitled <i>Credit Structure – Interest Rate Hedging</i>.</p> <p>See further the section entitled <i>Credit Structure – Interest Rate Hedging</i>.</p>
<b>CORPORATE AND ADMINISTRATIVE</b>	
<b>Issuer Administration Agreement:</b>	<p>On or before the Closing Date, the Issuer, the Issuer Administrator and the Security Trustee will enter into an issuer administration agreement (the "<b>Issuer Administration Agreement</b>"). Under the Issuer Administration Agreement, the Issuer will appoint the Issuer Administrator to provide, amongst other things, certain administration, calculation and cash management services to the Issuer.</p> <p>See further the section entitled <i>Servicing Agreement and Issuer Administration Agreement – Issuer Administration Agreement</i>.</p>
<b>Issuer Management Agreement:</b>	<p>On or before the Closing Date, the Issuer, the Security Trustee and the Issuer Director will enter into a management agreement in respect of the Issuer (the "<b>Issuer Management Agreement</b>"). Under the Issuer Management Agreement, the Issuer Director will undertake to act as director of the Issuer and provide certain corporate management services.</p>
<b>Security Trustee Management Agreement:</b>	<p>On or before the Closing Date, the Security Trustee and the Security Trustee Director will enter into a management agreement in respect of the Security Trustee (the "<b>Security Trustee Management Agreement</b>"). Under the Security Trustee Management Agreement, the Security Trustee Director will undertake to act as director of the Security Trustee and provide certain corporate management services.</p>

<b>Shareholder Management Agreement:</b>	<p>On or before the Closing Date, the Shareholder, the Security Trustee and the Shareholder Director will enter into a management agreement in respect of the Shareholder (the "<b>Shareholder Management Agreement</b>" and together with the Issuer Management Agreement and the Security Trustee Management Agreement, the "<b>Management Agreements</b>").</p> <p>Under the Shareholder Management Agreement, the Shareholder Director will undertake to act as director of the Shareholder and provide certain corporate management services.</p> <p>The relevant ATC Entity is, with regard to the exercise of its powers and rights as either the Issuer Director, Security Trustee Director and Shareholder Director, under the relevant Management Agreement bound by the restrictions set out in the respective Management Agreement that are intended to ensure that the powers and rights are exercised in the interest of the Issuer, the Security Trustee and the Shareholder and the other parties involved in this transaction. The Security Trustee is a party to the Issuer Management Agreement for, <i>inter alia</i>, the better preservation and enforcement of its rights under the Issuer Rights Pledge Agreement.</p>
<b>OTHER</b>	
<b>Ratings:</b>	<p>It is a condition to issue of the Notes that, on or about the Closing Date:</p> <ul style="list-style-type: none"> <li>(a) the Class A Notes be assigned on issue a credit rating of: Aaa by Moody's;</li> <li>(b) the Class B Notes be assigned on issue a credit rating of: (i) Aa1 by Moody's and (ii) AA- by S&amp;P;</li> <li>(c) the Class C Notes be assigned on issue a credit rating of: (i) Aa3 by Moody's and (ii) A- by S&amp;P;</li> <li>(d) the Class D Notes be assigned on issue a credit rating of: (i) Baa1 by Moody's and (ii) BBB by S&amp;P; and</li> <li>(e) the Class E Notes be assigned on issue a credit rating of: (i) Ba1 by Moody's and (ii) BB- by S&amp;P.</li> </ul>
<b>Listing:</b>	<p>Application has been made for the Listed Notes to be listed on Euronext Amsterdam.</p>

<b>Governing Law:</b>	The Notes will be governed by and construed in accordance with the laws of The Netherlands.
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## CREDIT STRUCTURE

This basic structure diagram and summary below describe the principal features of the transaction. The diagram and summary must be read in conjunction with, and are qualified entirely by, the detailed information presented elsewhere in this Prospectus.



**Key:**

A = Proceeds of the Notes

B = Principal and interest on the Notes

C = Proceeds of Class F Notes to fund the Initial Reserve Required Amount

D = Proceeds of Reserve Fund used to meet certain funding shortfalls

E = Purchase price of Receivables

F = Principal and interest on Receivables

*The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows:*



## **Loan Interest Rates**

The interest rate of each Portfolio Loan is either fixed (but subject to a reset from time to time), floating or is comprised of any other interest type. On the Portfolio Cut-Off Date the weighted average interest rate of the Portfolio Loans was 5.59 per cent.

## **Cash Collection**

### *Seller Cash Collection*

Almost all payments by the Borrowers under the Portfolio Loans are collected by direct debit on a monthly, quarterly, semi-annual or annual basis (as the case may be). Interest on such Portfolio Loans is payable in arrears. Until an Assignment Notification Event has occurred all payments made by Borrowers will be credited to an account of the relevant Originator held with Rabobank or such Originator and which is administered by the Servicer (the "**Collection Accounts**").

The Collection Accounts will also be used for the collection of moneys paid in respect of Loans other than Portfolio Loans and collection of other funds belonging to a relevant Originator.

If at any time the short-term, unsecured and unguaranteed debt obligations of Rabobank are assigned a rating less than Prime-1 by Moody's or A-1 by S&P (the "**Required Rating**"), or if such rating is withdrawn, Rabobank shall within thirty (30) days of the occurrence of either event (a) procure that payments to be made in respect of amounts received on each Collection Account in respect of the Portfolio Loans will be guaranteed by a party having a rating of at least the Required Rating to ensure that the ratings of the Notes will not be adversely affected; or (b) (i) open an escrow account in the name of the Issuer, for its own account, with a party having at least the required minimum rating; and (ii) transfer to the escrow account an amount equal to the highest single amount of each of principal, interest, interest penalties and prepayment penalties received or recovered as of the Closing Date and credited to each Collection Account during one Portfolio Calculation Period; or (c) implement any other actions to ensure that the ratings of the Notes will not be adversely affected.

### *Issuer Cash Collection*

Before the occurrence of an Assignment Notification Event, on the 21<sup>st</sup> day of each calendar month (and if such day is not a Business Day the day that will be the next following Business Day) (each a "**Portfolio Payment Date**"), the Servicer shall procure the transfer of an amount equal to all amounts of principal, interest, interest penalties and prepayment penalties received or recovered by the relevant Originator (whether or not on behalf of the Seller) in respect of the Portfolio Loans and credited to the Collection Accounts during the immediately preceding Portfolio Calculation Period to the Transaction Account.

### *Portfolio Calculation Period*

The period from the second (2nd) day of a calendar month to the first (1st) day of the next calendar month (inclusive) shall be the "**Portfolio Calculation Period**" except for the first (1st) Portfolio Calculation Period which will be the period from the Portfolio Cut-Off Date to 1 January 2009 (inclusive).

## Trigger Collateral

Pursuant to the Receivables Purchase Agreement, the Seller, the Local Rabobanks and the Rabobank Group Companies have the obligation to reimburse the Issuer for any amounts set-off by a Borrower in respect of the relevant Receivable. To secure this obligation, the Seller has an obligation to transfer on a regular basis but in any event on each Portfolio Payment Date to the Issuer Trigger Collateral up to the Trigger Collateral Required Amount. Any such Trigger Collateral shall be transferred to a bank account designated for such purpose by the Issuer as approved by the Security Trustee and the Issuer shall in accordance with the Trust Deed create a security interest in favour of the Security Trustee over such Trigger Collateral as security for the Parallel Debt pursuant to a Pledge Agreement on terms and conditions acceptable to the Security Trustee.

The Trigger Collateral may be applied by the Issuer and/or the Security Trustee (as the case may be) on any Quarterly Payment Date if and to the extent the Issuer has, as a result of a Borrower having invoked a right of set-off for amounts due by the Seller, a Local Rabobank or Rabobank Group Company to it and the Seller, Local Rabobank or Rabobank Group Company not having reimbursed the Issuer for such amount, on or prior to the Portfolio Payment Date immediately preceding such Quarterly Payment Date, not received the full amount due but unpaid in respect of any Receivable(s) as a result of such set-off (the "**Set-Off Amount**").

If the amount equal to the value of any Trigger Collateral transferred to the Issuer plus any amount of interest accrued on such Trigger Collateral exceeds the Trigger Collateral Required Amount on any Portfolio Payment Date (the "**Excess Trigger Collateral**"), the Issuer shall transfer to the Seller an amount equal to the Excess Trigger Collateral (if applicable). Any such transfer by the Issuer to the Seller of an amount equal to the Excess Trigger Collateral shall be made outside of the Priority of Payments.

For this purpose:

"**Potential Set-Off Amount**" means, in respect of any Portfolio Payment Date, an amount equal to the amount credited to each current account or deposit account held by the Borrowers with the Seller, the relevant Local Rabobank or the relevant Rabobank Group Company as at the last day of the immediately preceding Portfolio Calculation Period, as reported in the relevant monthly report to be provided by the Servicer under the Servicing Agreement.

"**Trigger Collateral**" means cash in euro.

"**Trigger Collateral Required Amount**" means, in respect of any Portfolio Payment Date, an amount equal to:

- (a) zero, unless the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller cease to be rated at least as high as A- by S&P or A3 by Moody's or any such rating is withdrawn;
- (b) 50 per cent. of the Potential Set-Off Amount, if the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than A- by S&P or A3 by Moody's but higher than or Baa3 by Moody's;

- (c) 100 per cent. of the Potential Set-Off Amount, if the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than BBB- by S&P or Baa3 by Moody's or any such rating is withdrawn; and
- (d) zero, if all Notes have been redeemed in full in accordance with the Conditions.

### **Floating Rate Guaranteed Investment Contract and Account Bank Agreement**

#### *Floating Rate GIC*

The Floating Rate GIC Provider will enter into the Floating Rate GIC with the Issuer pursuant to (and which is incorporated in) the Account Bank Agreement. Under the Floating Rate GIC, the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to three month EURIBOR as specified in the Facility Fee Letter on the balance standing from time to time to the credit of the Transaction Account, the Reserve Account and the Liquidity Facility Stand-by Drawing Account. The amounts of interest credited to the Accounts shall form part of and be credited to the Interest Available Funds.

The Account Bank Agreement will provide that payments may only be made from the Transaction Account other than on a Quarterly Payment Date to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business.

#### *Rating of the Account Bank (also in its capacity as Floating Rate GIC Provider)*

If at any time the short term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank or the Floating Rate GIC Provider are rated less than the Required Rating, or such rating is withdrawn, or the Account Bank or the Floating Rate GIC Provider ceases to be authorised to conduct business in The Netherlands, then the Account Bank, the Floating Rate GIC Provider and the Issuer will procure within thirty (30) days thereafter:

- (a) the transfer of the balance standing to the credit on each of the Transaction Account, Reserve Account and the Liquidity Facility Stand-by Drawing Account to another bank or banks approved in writing by the Security Trustee (such approval not to be unreasonably withheld or delayed) with a rating of at least the Required Rating and which is or are a bank or banks authorised to conduct business in The Netherlands in accordance with the FMSA; or
- (b) that a third party having a rating of at least the Required Rating guarantees the obligations of the Account Bank and the Floating Rate GIC Provider to ensure that the then current rating of the Notes is maintained; and/or
- (c) take any other solution to maintain the then current rating of the Notes.

### **The Transaction Account**

#### *Funds to be credited to the Transaction Account*

The Issuer will establish on or prior to the Closing Date and maintain with the Account Bank, the Transaction Account (and the relevant sub-ledgers) into which the Servicer (or any sub-servicer) on behalf of the Issuer shall credit all amounts received:

- (a) in respect of the Portfolio Loans;
- (b) from the Liquidity Facility Provider as a Liquidity Facility Drawing under the Liquidity Facility but not any Liquidity Facility Stand-by Drawings to such account; and
- (c) from any of the other parties to the Transaction Documents.

#### *Sub-ledgers*

The Issuer Administrator will identify the amounts paid into the Transaction Account by crediting such amounts to sub-ledgers, as applicable, and as established for such purpose.

Payments received on each Portfolio Payment Date in respect of the Portfolio Loans will be identified as "principal" or "interest" receipts and recorded as credit amounts on a principal ledger or an interest ledger, as applicable, and which shall be established as sub-ledgers of the Transaction Account.

### **The Reserve Account**

#### *Reserve Account*

The Issuer will establish on or prior to the Closing Date and maintain with the Account Bank the Reserve Account. The net proceeds of the Class F Notes will be credited to the Reserve Account.

#### *Utilising the Reserve Account*

If the Interest Available Funds are insufficient to meet the Issuer's obligations under items (a) to (o) (inclusive) of the Interest Priority of Payments in full, then amounts credited to the Reserve Account will be available to the Issuer to satisfy such obligations on any Quarterly Payment Date. See further the paragraph *Interest Priority of Payments* in this section below.

#### *Increase of Reserve Account*

If and to the extent that the Interest Available Funds calculated on any Notes Calculation Date exceed the amounts required by the Issuer to satisfy its obligations under items (a) to (o) (inclusive) of the Interest Priority of Payments in full, then all remaining Interest Available Funds (without limitation) will be credited to the Reserve Account or, as the case may be, applied to replenish the Reserve Account until all Notes (other than the Class F Notes) have been redeemed in full in accordance with the Conditions.

#### *Reduction of Reserve Account*

If on any Notes Calculation Date all amounts of interest and principal due and payable in respect of the Notes, except for interest and principal in respect of the Class F Notes, have been paid on the Quarterly Payment Date immediately before such Notes Calculation Date or will be available for payment in full on the Quarterly Payment Date immediately after such Notes Calculation Date, then all amounts standing to the credit of the Reserve Account will be credited to the Transaction Account and form part of the Interest Available Funds and will be available to redeem or partially redeem the Class F Notes until fully redeemed in accordance with the Interest Priority of Payments.

## **Termination of the Account Bank Agreement**

The Issuer and the Security Trustee, acting jointly, may terminate any or all of the arrangements set out in the Account Bank Agreement by giving not less than thirty (30) days' prior written notice of their intention to do so to the Account Bank provided that the arrangements set out in the Account Bank Agreement in respect of the Liquidity Facility Account may only terminate if the Account Bank is no longer the Liquidity Facility Provider at such time. No such termination shall take effect unless and until certain requirements have been met to the satisfaction of the Security Trustee. The appointment of the Account Bank will also terminate upon the occurrence of certain termination events (which include certain failures by the Account Bank to comply with its obligations under the Account Bank Agreement). In addition, the Account Bank may resign its appointment under the Account Bank Agreement (and in respect of the Liquidity Facility Account, only if it is also the Liquidity Facility Provider, at such time) at any time by giving to the Issuer and the Security Trustee at least sixty (60) days' prior written notice, provided always that so long as any of the Notes are outstanding, no such resignation shall take effect until a new account bank (including the provider of a floating rate guaranteed investment contract) shall have been appointed and certain other requirements are met.

## **The Liquidity Facility Account**

The Issuer will establish on or prior to the Closing Date and maintain with the Liquidity Facility Provider a bank account which shall be designated the "Liquidity Facility Account" (the "**Liquidity Facility Account**"). The Liquidity Facility Account shall be debited by an amount equal to any Liquidity Facility Drawing made by the Issuer from the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement. Funds debited to the Liquidity Facility Account shall be credited to the Transaction Account to be applied by or on behalf of the Issuer in accordance with the Liquidity Facility. See further the paragraph *Liquidity Facility* in this section below.

## **The Liquidity Facility Stand-by Drawing Account**

Any Liquidity Facility Stand-by Drawing made under the Liquidity Facility Agreement shall be credited to an account established on or prior to the Closing Date and maintained with the Account Bank for such purpose and which shall be designated the "Liquidity Facility Stand-by Drawing Account" (the "**Liquidity Facility Stand-by Drawing Account**").

## **Fees**

Fees, costs and expenses payable by the Issuer to the Account Bank in respect of, amongst other things, establishing and maintaining the Accounts and the Liquidity Facility Stand-by Drawing Account, and in respect of the provision by the Liquidity Facility Provider of the Liquidity Facility, will be due and payable subject to and in accordance with a fee letter entered into between the Issuer, the Security Trustee and Rabobank (acting in its capacity as Account Bank and Liquidity Facility Provider) on or before the Closing Date (the "**Facility Fee Letter**").

## **Principal Deficiency Ledgers, Estimated Loss Ledgers and the allocation of Realised Losses**

### *Principal Deficiency Ledgers*

Principal deficiency ledgers shall be established on behalf of the Issuer by the Issuer Administrator in respect of the Class A Notes (the "**Class A PDL**"), the Class B Notes (the "**Class B PDL**"), the Class C Notes (the "**Class C PDL**"), the Class D Notes (the "**Class D PDL**") and the Class E Notes (the "**Class E PDL**" and together with the Class A PDL, the Class B PDL, the Class C PDL and the Class D PDL, the "**Principal Deficiency Ledgers**") in order to record any Realised Losses incurred on the Receivables.

#### *Allocation of losses*

Any Realised Losses to the extent relating to principal will on the relevant Notes Calculation Date be debited to the Principal Deficiency Ledgers sequentially as follows:

- (a) *first*, to the Class E PDL up to an amount equal to the aggregate Principal Amount Outstanding of the Class E Notes and if there are sufficient Interest Available Funds then any debit amount on the Class E PDL shall be credited at item (o) of the Interest Priority of Payments;
- (b) *second*, to the Class D PDL up to an amount equal to the aggregate Principal Amount Outstanding of the Class D Notes and if there are sufficient Interest Available Funds then any debit amount on the Class D PDL shall be credited at item (m) of the Interest Priority of Payments;
- (c) *third*, to the Class C PDL up to an amount equal to the aggregate Principal Amount Outstanding of the Class C Notes and if there are sufficient Interest Available Funds then any debit amount on the Class C PDL shall be credited at item (k) of the Interest Priority of Payments;
- (d) *fourth*, to the Class B PDL up to an amount equal to the aggregate Principal Amount Outstanding of the Class B Notes and if there are sufficient Interest Available Funds then any debit amount on the Class B PDL shall be credited at item (i) of the Interest Priority of Payments; and
- (e) *fifth*, to the Class A PDL up to an amount equal to the aggregate Principal Amount Outstanding of the Class A Notes and if there are sufficient Interest Available Funds then any debit amount on the Class A PDL shall be credited at item (g) of the Interest Priority of Payments.

Any debit amount recorded on the respective Principal Deficiency Ledgers shall be a "**Class A Principal Deficiency**", a "**Class B Principal Deficiency**", a "**Class C Principal Deficiency**", a "**Class D Principal Deficiency**" and a "**Class E Principal Deficiency**" and each a "**Principal Deficiency**", as applicable and as the context requires.

#### **Estimated Loss Ledgers**

If the Notes (other than the Class F Notes) are redeemed by the Issuer on the Rated Notes Redemption Date and in connection with such redemption there are Defaulted Receivables which are sold to the Seller, the estimated loss ledgers will be established on behalf of the Issuer by the Issuer Administrator (the "**Estimated Loss Ledgers**") consisting of sub-ledgers in respect of the Class A Notes (the "**Class A ELL**"), the Class B Notes (the "**Class B ELL**"), the Class C Notes (the "**Class C ELL**"), the Class D Notes (the "**Class D ELL**") and the Class E

Notes (the "**Class E ELL**") in order to record the Estimated Loss Amount. The Estimated Loss Amount shall be an amount equal to the principal amount outstanding of the Defaulted Receivables as at the last of the immediately preceding Notes Calculation Period less the sum of (i) the Market Value and (ii) the balance standing to the credit of the Reserve Account on the Quarterly Payment Date after the payments and allocations pursuant to the Interest Priority of Payments on such date have been made (the "**Estimated Loss Amount**").

The Estimated Loss Amount will on the Rated Notes Redemption Date be debited to the sub-ledgers of the Estimated Loss Ledger as follows:

- (a) *first*, to the Class E ELL up to an amount equal to the aggregate Principal Amount Outstanding of the Class E Notes and if there are sufficient Interest Available Funds then any debit amount on the Class E ELL shall be credited at item (o) of the Interest Priority of Payments; and
- (b) *second*, to the Class D ELL up to an amount equal to the aggregate Principal Amount Outstanding of the Class D Notes and if there are sufficient Interest Available Funds then any debit amount on the Class D ELL shall be credited at item (m) of the Interest Priority of Payments;
- (c) *third*, to the Class C ELL up to an amount equal to the aggregate Principal Amount Outstanding of the Class C Notes and if there are sufficient Interest Available Funds then any debit amount on the Class C ELL shall be credited at item (k) of the Interest Priority of Payments;
- (d) *fourth*, to the Class B ELL up to an amount equal to the aggregate Principal Amount Outstanding of the Class B Notes and if there are sufficient Interest Available Funds then any debit amount on the Class B ELL shall be credited at item (i) of the Interest Priority of Payments; and
- (e) *fifth*, to the Class A ELL up to an amount equal to the aggregate Principal Amount Outstanding of the Class A Notes and if there are sufficient Interest Available Funds then any debit amount on the Class A ELL shall be credited at item (g) of the Interest Priority of Payments.

Any amounts received as deferred purchase price instalments in respect of Defaulted Receivables after the Estimated Loss Amount has been debited to the Estimated Loss Ledgers will, as Post-Foreclosure Proceeds, be credited in accordance with and subject to the Interest Priority of Payments to the relevant sub-ledger of the Estimated Loss Ledger.

#### *Realised Losses*

"**Realised Losses**" means on any Notes Calculation Date, an amount equal to the sum of:

- (a) the amount of the difference between (x) the aggregate principal amount outstanding of all Defaulted Receivables, which an Originator, the Seller, the Servicer, the Issuer or the Security Trustee (as the case may be) has foreclosed from the Closing Date up to and including the relevant Notes Calculation Date, and (y) the sum of the Net Proceeds applied to reduce the principal amounts under such Receivables; and

- (b) the aggregate principal amount outstanding of all Receivables sold and assigned by the Issuer pursuant to the Receivables Purchase Agreement and/or the Trust Deed, *less* the net purchase price (to the extent relating to principal) received by or on behalf of the Issuer in respect of such sold Receivables from the Closing Date up to and including the relevant Notes Calculation Date,

whereby for the purpose of establishing the principal amount outstanding in case of set-off or defence to payments asserted by Borrowers any amount by which the relevant Receivables have been extinguished (*teniet gegaan*) will be disregarded, unless the Issuer has been compensated for such amount.

For the purpose hereof, the proceeds of:

- (a) a foreclosure on any Relevant Security securing the Loan;
- (b) the collection, if any, of any amounts under insurance policies in connection with the Loan;
- (c) any guarantees or sureties issued in connection with the Loan (including but not limited to any LB Surety or Stichting Surety); and
- (d) foreclosure on any other assets of the relevant debtor under the Loan,

after deduction of foreclosure costs,

shall be the "**Net Proceeds**" in each case, in respect of the applicable Loan and/or Receivable, to which the Issuer is entitled in respect of that Receivable (taking into account the Issuer's pro rata entitlement to such proceeds as determined by reference to the outstanding principal amount of the relevant obligations on the date on which the Credit Event in respect of the applicable Loan and/or Receivable occurred).

### **Calculation of available funds**

On the third Business Day before each Quarterly Payment Date (the "**Notes Calculation Date**") the Issuer Administrator will calculate the amount of the Interest Available Funds and the Notes Redemption Available Funds available to the Issuer in the Transaction Account to satisfy its obligations under the Notes. The Interest Available Funds and the Notes Redemption Available Funds shall be as calculated by reference to the interest and the principal receipts received by the Issuer during the three (3) preceding Portfolio Calculation Periods (such period a "**Notes Calculation Period**").

### **Interest Available Funds**

On a Notes Calculation Date, the Issuer Administrator will calculate the amount of interest funds available to the Issuer in the Transaction Account by reference to the applicable Notes Calculation Period, and such interest funds (the "**Interest Available Funds**") shall be the sum of the following:

- (a) any interest received by the Issuer on the Receivables;
- (b) any interest credited to the Transaction Account and the Reserve Account;



- (c) any prepayment penalties and interest penalties (*boeterente*) under the Receivables;
- (d) the aggregate amount of the Net Proceeds in respect of any Receivables to the extent such proceeds do not relate to principal amounts;
- (e) any amounts that can be drawn from the Reserve Account on the immediately following Quarterly Payment Date;
- (f) any amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing) on the immediately following Quarterly Payment Date;
- (g) any amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately following Quarterly Payment Date;
- (h) the aggregate amount of any amounts received:
  - (i) in respect of a repurchase or sale of Receivables under the Receivables Purchase Agreement or the Trust Deed, as the case may be; and
  - (ii) in respect of any other amounts received under the Receivables Purchase Agreement in connection with the Receivables;
 in each case, to the extent such amounts do not relate to principal amounts;
- (i) any amounts received as Post-Foreclosure Proceeds on the Receivables;
- (j) after all amounts of interest and principal due in respect of the Notes, except for the principal amounts under the Class F Notes, have been paid on the Quarterly Payment Date immediately preceding the relevant Notes Calculation Date or will be available for payment on the immediately following Quarterly Payment Date, any amount standing to the credit of the Reserve Account; and
- (k) any Set-Off Amount to be applied from the Trigger Collateral on the immediately following Quarterly Payment Date.

**"Post-Foreclosure Proceeds"** means in respect of a Defaulted Receivable any amount received by the Issuer (i) after a Realised Loss in respect thereof is debited to the Principal Deficiency Ledger and (ii) after the Estimated Loss Amount is debited to the Estimated Loss Ledgers.

### **Interest Priority of Payments**

Before the delivery of an Enforcement Notice by the Security Trustee if on any Quarterly Payment Date the Issuer has any Interest Available Funds, the Issuer Administrator shall instruct the Account Bank to apply the Interest Available Funds in accordance with the following order of priority (the **"Interest Priority of Payments"**) in each case only if and to the extent that payments or provisions of a higher order or priority have been made in full:

- (a) *first*, pro rata:
  - (i) in or towards payment of pro rata:

- (A) all fees, costs and expenses (and indemnity payments, if applicable) due and payable to the Security Trustee or any other costs, charges and liabilities incurred by it in accordance with the Trust Deed and any of the other Transaction Documents; and
  - (B) all fees due and payable to the Directors in connection with the Management Agreements; and
- (ii) by retaining an amount equal to the higher of (i) € 625 (i.e. € 2,500 per annum) and (ii) 2.5 per cent. (i.e. 10 per cent. per annum) of the annual amount due and payable by the Issuer to its Director in connection with the Issuer Management Agreement, pursuant to item (i)(B) above, representing taxable income for corporate income tax purposes in The Netherlands, of which a part is to be applied towards satisfaction of the Issuer's corporate income tax liability from time to time;
- (b) *second*, in or towards payment of pro rata:
  - (i) all fees, costs and expenses due and payable to the Servicer under the Servicing Agreement; and
  - (ii) all fees, costs and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement;
- (c) *third*, in or towards payment of pro rata:
  - (i) all amounts due and payable to third parties under obligations incurred in respect of the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (other than Netherlands corporate income tax over the amount in item (a)(ii) above);
  - (ii) all fees, costs and expenses due and payable to the Agents under the Paying Agency Agreement, and any other agent appointed under the Transaction Documents, and all fees, costs and expenses due and payable to Euroclear Netherlands, Euroclear and/or Clearstream Luxembourg;
  - (iii) all fees, costs and expenses due and payable to the Rating Agencies;
  - (iv) all fees, costs and expenses due and payable to the legal advisors, accountants and auditors appointed by the Issuer and/or the Security Trustee; and
  - (v) all commitment fees due and payable under the Liquidity Facility Agreement to the Liquidity Facility Provider;
- (d) *fourth*, in or towards payment of all amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement except (i) all amounts paid under item (c)(v) above, and except (ii) all Subordinated Liquidity Amounts payable under item (t) below;

- (e) *fifth*, in or towards payment of all amounts due and payable to the Swap Counterparty under the Swap Agreement excluding all Subordinated Swap Amounts payable under item (s) below;
- (f) *sixth*, in or towards payment of all interest due or overdue in respect of the Class A Notes;
- (g) *seventh*, in or towards payment of all sums to be credited to the Class A PDL until any debit balance on the Class A PDL is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or after the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), in or towards reducing any shortfall reflected in the Class A ELL until the debit balance, if any, on the Class A ELL is reduced to zero;
- (h) *eighth*, in or towards payment of all interest due or overdue in respect of the Class B Notes;
- (i) *ninth*, in or towards payment of all sums to be credited to the Class B PDL until any debit balance on the Class B PDL is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or after the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), in or towards reducing any shortfall reflected in the Class B ELL until the debit balance, if any, on the Class B ELL is reduced to zero;
- (j) *tenth*, in or towards payment of all interest due or overdue in respect of the Class C Notes;
- (k) *eleventh*, in or towards payment of all sums to be credited to the Class C PDL until any debit balance on the Class C PDL is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or after the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), in or towards reducing any shortfall reflected in the Class C ELL until the debit balance, if any, on the Class C ELL is reduced to zero;
- (l) *twelfth*, in or towards payment of all interest due or overdue in respect of the Class D Notes;
- (m) *thirteenth*, in or towards payment of all sums to be credited to the Class D PDL until any debit balance on the Class D PDL is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 7.8

(*Optional Redemption by the Issuer*) or after the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), in or towards reducing any shortfall reflected in the Class D ELL until the debit balance, if any, on the Class D ELL is reduced to zero;

- (n) *fourteenth*, in or towards payment of all interest due or overdue in respect of the Class E Notes;
- (o) *fifteenth*, in or towards payment of all sums to be credited to the Class E PDL until any debit balance on the Class E PDL is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or after the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), in or towards reducing any shortfall reflected in the Class E ELL until the debit balance, if any, on the Class E ELL is reduced to zero;
- (p) *sixteenth*, until the date on which all Notes (other than the Class F Notes) have been redeemed in full in accordance with the Conditions, in or towards crediting all remaining Interest Available Funds (without limitation) to the Reserve Account;
- (q) *seventeenth*, in or towards payment of all interest due or overdue in respect of the Class F Notes;
- (r) *eighteenth*, at the earlier to occur of (i) the date (other than a Rated Notes Redemption Date) on which all Notes (other than the Class F Notes) have been redeemed in full in accordance with Condition 7.2 (*Mandatory redemption in part*), Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), Condition 7.8 (*Optional Redemption by the Issuer*) or Condition 7.9 (*Optional redemption for tax reasons*), (ii) the Extended Notes Redemption Date, or (iii) the Final Maturity Date, in or towards payment of all principal due or overdue in respect of the Class F Notes;
- (s) *nineteenth*, in or towards payment of all Subordinated Swap Amounts due and payable to the Swap Counterparty under the Swap Agreement;
- (t) *twentieth*, in or towards payment of all Subordinated Liquidity Amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement; and
- (u) *twenty-first*, in or towards payment of a Deferred Purchase Price Instalment.

#### **Notes Redemption Available Funds**

On a Notes Calculation Date, the Issuer Administrator will calculate the amount of principal funds available to the Issuer in the Transaction Account by reference to the applicable Notes

Calculation Period, and such principal funds (the "**Notes Redemption Available Funds**") shall be the sum of the following:

- (a) the aggregate amount of any repayment and prepayment in full of principal amounts under the Receivables, from any person, whether by set-off or otherwise, but excluding prepayment penalties, if any;
- (b) the aggregate amount of any Net Proceeds in respect of any Receivables, to the extent such proceeds relate to principal amounts;
- (c) the aggregate amount of any amounts received:
  - (1) in respect of a repurchase or sale of Receivables under the Receivables Purchase Agreement or the Trust Deed, as the case may be; and
  - (2) in respect of any other amounts received under the Receivables Purchase Agreement in connection with the Receivables,in each case, to the extent such amounts relate to principal amounts;
- (d) any amounts to be credited to the Principal Deficiency Ledgers on the immediately following Quarterly Payment Date;
- (e) any partial prepayment under the Receivables, *excluding* prepayment penalties, if any;
- (f) any Notes Redemption Available Funds calculated on the immediately preceding Notes Calculation Date which have not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date; and
- (g) any amounts to be credited to the Estimated Loss Ledgers on the immediately following Quarterly Payment Date.

#### **Principal Priority of Payments**

Before the delivery of an Enforcement Notice by the Security Trustee, if on any Quarterly Payment Date the Issuer has any Notes Redemption Available Funds, the Issuer Administrator shall instruct the Account Bank to apply the Notes Redemption Available Funds in accordance with the following order of priority (the "**Principal Priority of Payments**") in each case only if and to the extent that payments or provisions of a higher order or priority have been made in full:

- (a) *first*, in redeeming, pro rata, the Class A Notes until there are no Class A Notes outstanding;
- (b) *second*, in redeeming, pro rata, the Class B Notes until there are no Class B Notes outstanding;
- (c) *third*, in redeeming, pro rata, the Class C Notes until there are no Class C Notes outstanding;

- (d) *fourth*, in redeeming, pro rata, the Class D Notes until there are no Class D Notes outstanding;
- (e) *fifth*, in redeeming, pro rata, the Class E Notes until there are no Class E Notes outstanding; and
- (f) *sixth*, in or towards payment of a Deferred Purchase Price Instalment.

Notes Redemption Available Funds shall not be used to redeem the Class F Notes because principal amounts due and payable under the Class F Notes shall be paid from the Interest Available Funds under item (r) of the Interest Priority of Payments.

### **Enforcement Priority of Payments**

If an Enforcement Notice is delivered to the Issuer by the Security Trustee all monies held in the Accounts, and the Liquidity Facility Stand-by Drawing Account and all (other) monies received or recovered by the Issuer and/or the Security Trustee (or the Issuer Administrator on its behalf) will be applied in accordance with the Enforcement Priority of Payments in the following order or priority (the "**Enforcement Priority of Payments**" and together with the Interest Priority of Payments and Principal Priority of Payments, the "**Priority of Payments**") in each case if and to the extent that payments or provisions of a higher order or priority have been made in full:

- (a) *first*, in or towards payment of pro rata:
  - (i) all fees, costs and expenses (and indemnity payments, if applicable) due and payable to the Security Trustee and any other costs, charges and liabilities incurred by it in accordance with the Trust Deed and any of the other Transaction Documents; and
  - (ii) all fees, costs and expenses due and payable to the Directors in connection with the Management Agreements;
- (b) *second*, in or towards payment of pro rata:
  - (i) all fees, costs and expenses due and payable to the Agents under the Paying Agency Agreement, and any other agent appointed under the Transaction Documents, and all fees, costs and expenses due and payable to Euroclear Netherlands, Euroclear and/or Clearstream Luxembourg;
  - (ii) all fees, costs and expenses due and payable to the Servicer under the Servicing Agreement;
  - (iii) all fees, costs and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement;
  - (iv) all fees, costs and expenses due and payable to the Rating Agencies;
  - (v) all fees, costs and expenses due and payable to the legal advisors, accountants and auditors appointed by the Issuer and/or the Security Trustee; and
  - (vi) all commitment fees due and payable under the Liquidity Facility Agreement to the Liquidity Facility Provider;

- (c) *third*, in or towards payment of all amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement except (i) all amounts paid under item (b)(vi) above; and except any Subordinated Liquidity Amounts payable under item (r) below;
- (d) *fourth*, in or towards payment of all amounts due and payable to the Swap Counterparty under the Swap Agreement excluding any Subordinated Swap Amounts payable under item (q) below;
- (e) *fifth*, in or towards payment of all interest due or overdue in respect of the Class A Notes;
- (f) *sixth*, in or towards payment of pro rata all principal due or overdue in respect of the Class A Notes;
- (g) *seventh*, in or towards payment of pro rata all interest due or overdue in respect of the Class B Notes;
- (h) *eighth*, in or towards payment of pro rata all principal due or overdue in respect of the Class B Notes;
- (i) *ninth*, in or towards payment of pro rata all interest due or overdue in respect of the Class C Notes;
- (j) *tenth*, in or towards payment of pro rata all principal due or overdue in respect of the Class C Notes;
- (k) *eleventh*, in or towards payment of pro rata all interest due or overdue in respect of the Class D Notes;
- (l) *twelfth*, in or towards payment of pro rata all principal due or overdue in respect of the Class D Notes;
- (m) *thirteenth*, in or towards payment of pro rata all interest due or overdue in respect of the Class E Notes;
- (n) *fourteenth*, in or towards payment of pro rata all principal due or overdue in respect of the Class E Notes;
- (o) *fifteenth*, in or towards payment of pro rata all interest due or overdue in respect of the Class F Notes;
- (p) *sixteenth*, in or towards payment of pro rata all principal due or overdue in respect of the Class F Notes;
- (q) *seventeenth*, in or towards payment of all Subordinated Swap Amounts due and payable to the Swap Counterparty under the Swap Agreement;
- (r) *eighteenth*, in or towards payment of all Subordinated Liquidity Amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement; and
- (s) *nineteenth*, in or towards payment of a Deferred Purchase Price Instalment.

## **Liquidity Facility**

### *The Liquidity Facility*

On or before the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. On a Quarterly Payment Date, the Issuer will be able to make drawings under the Liquidity Facility up to an amount (the "**Liquidity Facility Maximum Amount**") equal to the higher of:

- (a) an amount equal to 2.80 per cent. of the Principal Amount Outstanding of the Notes on such date; and
- (b) an amount equal to 2.52 per cent. of the Principal Amount Outstanding of the Notes as at the Closing Date.

### *Utilisation and term*

On any Quarterly Payment Date (other than (i) a Quarterly Payment Date if and to the extent that on such date the Notes except for the Class F Notes are redeemed in full and (ii) the Final Maturity Date) the Issuer will be entitled to make drawings under the Liquidity Facility up to the Liquidity Facility Maximum Amount.

The Liquidity Facility Agreement will be for a term of 364 days. Payments to the Liquidity Facility Provider (other than the Subordinated Liquidity Amounts) will rank in priority higher than payments under the Notes. The commitment of the Liquidity Facility Provider is extendable at its discretion.

### *Availability*

Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of any Interest Available Funds and the amounts available in the Reserve Account (each a "**Liquidity Facility Drawing**"), there is a shortfall in the Interest Available Funds to meet items (a) up to and including (n) of the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawings may be made to meet items (e), (g), (i), (k) and (m) of the Interest Priority of Payments, and provided further that no drawings may be made on any Quarterly Payment Date for the payment of any shortfalls in interest:

- (a) on the Class B Notes if there was a Class B Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;
- (b) on the Class C Notes if there was a Class C Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;
- (c) on the Class D Notes if there was a Class D Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date; and
- (d) on the Class E Notes or the Class F Notes if there was a Class E Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date.



Upon making a Liquidity Facility Drawing, the Liquidity Facility Account shall be debited for an amount equal to the relevant Liquidity Facility Drawing. The proceeds of any Liquidity Facility Drawing shall be credited (by or on behalf of the Issuer) to the Transaction Account.

*Minimum rating requirement and stand-by drawings*

If, at any time, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (a) assigned a credit rating of less than the Required Rating and/or such rating is withdrawn and (b) within thirty (30) days of such downgrading or withdrawal the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative liquidity facility provider, or a third party having the required ratings has not guaranteed the obligations of the Liquidity Facility Provider to ensure that the then current rating of the Notes is maintained, or any other solution to maintain the then current rating of the Notes is not found, the Issuer will, unless the Security Trustee has confirmed that the rating of the Notes will not be adversely affected, be required forthwith to draw down the entire undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-by Drawing**") and credit such amount into the Liquidity Facility Stand-by Drawing Account. A Liquidity Facility Stand-by Drawing credited to the Liquidity Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as if the Liquidity Facility Stand-by Drawing had not been made. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed prior to the commitment termination date of the Liquidity Facility. Upon a Liquidity Facility Stand-by Drawing being made under the Liquidity Facility, the Liquidity Facility Account shall be debited for an amount equal to the relevant Liquidity Facility Stand-by Drawing. Upon utilisation of a Liquidity Facility Stand-by Drawing from the Liquidity Facility Stand-by Drawing Account, the Liquidity Facility Stand-by Drawing Account shall be debited for an amount equal to such Liquidity Facility Stand-by Drawing.

*Subordinated Liquidity Amounts*

Certain payment obligations owed by the Issuer to the Liquidity Facility Provider will be subordinated to certain other obligations owed by the Issuer to the Liquidity Facility Provider under the Liquidity Facility Agreement.

An amount equal to the sum of:

- (a) an amount equal to the positive difference between:
  - (i) the interest due and payable to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement on the principal amount outstanding on any Liquidity Facility Account; and
  - (ii) the interest received from the Floating Rate GIC Provider on the balance standing to the credit of the Liquidity Facility Stand-by Drawing Account;

*plus*

- (b) any gross-up amounts or additional amounts due and payable under the Liquidity Facility and not otherwise paid under item (c)(v) of the Interest Priority of Payments and under item (b)(vi) of the Enforcement Priority of Payments, as applicable,

(such amount, a "**Subordinated Liquidity Amount**") shall be payable at item (t) of the Interest Priority of Payments and at item (r) of the Enforcement Priority of Payments, as applicable.

### **Sale of Receivables**

The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and further as provided in the Trust Deed. If the Issuer decides to offer for sale the Receivables it will first offer such Receivables to the Seller.

#### ***Sale of Receivables on an Optional Redemption Date***

The Issuer will have the right to sell and assign the Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes. The Issuer shall first offer the Receivables for sale to the Seller. The Seller shall within a period of 15 Business Days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 Business Day period, the Issuer may offer such Receivables for sale to any third party.

#### ***Purchase Price in case of a sale to the Seller***

The purchase price of the Receivables (other than Defaulted Receivables) in the event of a sale to the Seller will be the aggregate principal amount outstanding in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and assignment.

The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. On the Rated Notes Redemption Date the Estimated Loss Amount will be debited to the Estimated Loss Ledgers.

#### ***Purchase Price in case of a sale to a third party***

Should the Seller decide not to purchase the Receivables, the Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) to a third party for a price at least equal to (i) in respect of the Receivables that are not Defaulted Receivables the aggregate principal amount outstanding in respect of such Receivables together with any accrued interest up to but excluding the date of sale and assignment of such Receivables and any costs incurred by the Issuer in effecting and completing such sale and assignment and (ii) in respect of any

Defaulted Receivables the aggregate Market Value of such Receivables (see further the paragraph *Maturity Risk* in the section *Risk Factors*).

***Sale of Receivables if the Seller Clean-Up Option or Regulatory Call Option is exercised***

On each Quarterly Payment Date, the Seller has the option to exercise the Seller Clean-Up Option and the Regulatory Call Option, subject to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) and Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), respectively. If the Seller exercises the Seller Clean-Up Option or the Regulatory Call Option, the purchase price of the relevant Receivables will be calculated in the same manner as described under section *Sale of Receivables on an Optional Redemption Date* above.

**Sale of Receivables if the Seller is obliged to repurchase**

If the Seller is obliged to repurchase any Receivable(s) (including any Defaulted Receivables) pursuant to the Receivables Purchase Agreement, the purchase price of the Receivables will be equal to the principal amount outstanding in respect of the relevant Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the Receivables and any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment.

**Interest Rate Hedging**

*Interest Rate Hedging Strategy*

The Issuer will receive, amongst other things, floating rate interest or a fixed rate of interest (subject to a reset, from time to time) on and in respect of the Receivables it shall purchase under the Receivables Purchase Agreement. The Issuer will pay a fixed margin plus the Euro Reference Rate on the Notes it shall issue on or about the Closing Date and such fixed margin on the Notes will increase after the First Optional Redemption Date except for the Class F Notes. To hedge the interest rate mismatch between the interest rate income the Issuer will receive under the Receivables and the interest payments the Issuer is obliged to make under the Notes, the Issuer shall on or before the Closing Date enter into the Swap Agreement.

*Swap Agreement*

Under the Swap Agreement, the Issuer will pay the Swap Counterparty on a Quarterly Payment Date and in respect of the relevant Notes Calculation Period, an amount equal to the sum of:

- (a) all interest scheduled to be received under and in respect of the Receivables; *plus*
- (b) all prepayment penalties received under and in respect of the Receivables; *plus*
- (c) all interest credited to the Transaction Account; *less*
- (d) all expenses due and payable at items (a), (b), and (c) of the Interest Priority of Payments; *less*
- (e) an aggregate amount equal to (i) the excess spread margin of 0.80 per cent. per annum (the "**Excess Spread Margin**") applied to (ii) (x) the Principal Amount Outstanding of

each Class of Notes except for the Class F Notes, on the first day of the relevant Quarterly Interest Period; *less*, (y) in each case, any Principal Deficiency.

In return, the Swap Counterparty will pay the Issuer amounts equal to the scheduled interest due under each Class of Notes, calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the relevant Quarterly Interest Period.

The notional amount under the Swap Agreement, however, will be reduced to the extent there is a Principal Deficiency in respect of any Class of Notes on the Principal Deficiency Ledgers. As there is no principal deficiency sub-ledger in respect of the Class F Notes, the swap notional amount for the Class F Notes will be reduced to zero if there is a Class E Principal Deficiency.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall.

The Swap Agreement will provide that the Swap Counterparty, in addition to its right to transfer its rights and obligations under the Swap Agreement to another of its offices or affiliates to avoid a relevant Tax Event, has the right to (at its own cost) transfer all or substantially all of its rights and obligations with respect to the Swap Agreement to any other entity that is an Eligible Replacement and a S&P Eligible Replacement (each as defined in the Swap Agreement), subject to and in accordance with the provisions of the Swap Agreement (which includes prior notification of such transfer to S&P).

The Swap Agreement also provides that if the Swap Agreement is terminated pursuant to the occurrence of a Relevant Additional Termination Event, the Swap Counterparty shall - as termination payment - pay such amounts to the Issuer to enable the Issuer to make the payments set forth in paragraphs (a) to (c) (inclusive) of the Interest Priority of Payments during the four succeeding Quarterly Payment Dates immediately following the Rated Notes Redemption Date.

The Swap Agreement will be documented under a 1992 ISDA Master Agreement (*Multicurrency-Crossborder*) and be governed by English law.

*Downgrade of the Swap Counterparty by the Rating Agencies*

Under the terms of the Swap Agreement, in the event that the rating(s) of the Swap Counterparty is below, or is downgraded by a Rating Agency below, the minimum rating(s) specified in the Swap Agreement for the Swap Counterparty (in accordance with the requirements of the relevant Rating Agency), the Swap Counterparty will, in accordance with the Swap Agreement, be required to take certain remedial measures which may include:

- (a) providing collateral for its obligations under the Swap Agreement;
- (b) arranging for its obligations under the Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency;

- (c) procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations under the Swap Agreement; or
- (d) taking such other action or putting in place such alternative hedging as it may agree with the relevant Rating Agency (subject to the then current ratings of the Notes not being adversely affected as a result thereof).

A failure to take such steps within the time periods specified in the Swap Agreement will allow the Issuer to terminate the Swap Agreement.

As at the date of this Prospectus, the minimum required ratings for the Swap Counterparty are: A-1 (short term) and Prime-1 (short term) from S&P and Moody's, respectively and A+ (long term) and A1 (long term) from S&P and Moody's, respectively.

If collateral (or the equivalent thereof, as appropriate) is to be retransferred by the Issuer to the Swap Counterparty pursuant to the Swap Agreement, such collateral shall be retransferred outside of the Priority of Payments.

*Subordinated Swap Amounts*

Any amount due and payable by the Issuer to the Swap Counterparty under a Swap Agreement where:

- (a) the Defaulting Party (as defined in the Swap Agreement) is the Swap Counterparty under the Swap Agreement; and/or
- (b) an Additional Termination Event (as defined in the Swap Agreement) has occurred as a result of the downgrade or withdrawal of a rating of the Swap Counterparty,

(any such amount payable by the Issuer, a "**Subordinated Swap Amount**") shall be payable at item (s) of the Interest Priority of Payments and item (q) of the Enforcement Priority of Payments.

## **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.**

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

### **(A) General**

Rabobank Group was founded over a century ago and is one of the largest banking groups in The Netherlands and ranks in the top twenty (20) banking institutions in the world in terms of Tier 1 capital. Rabobank Group is a cooperative banking organisation comprised of Rabobank (a cooperative entity licensed as a credit institution in The Netherlands), the Local Rabobanks and numerous specialised finance and other subsidiaries. In The Netherlands, the Rabobank Group follows an all-finance concept, meaning it provides an integrated range of financial services comprised primarily of retail banking, wholesale banking, asset management and investment, insurance leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. The Rabobank Group's wholesale activities and the international retail operations are carried out through Rabobank International. At 30 June 2008 the Rabobank Group operated in The Netherlands through 161 Local Rabobanks, 1,130 branches and 3,134 contact points and internationally through overseas offices in countries outside The Netherlands.

Since Rabobank first obtained its credit ratings, it has generally received for its senior unsecured long-term debt an Aaa rating by Moody's (since 1986) and an AAA rating by S&P (since 1985).

At 30 June 2008 Rabobank had total assets of €568 billion, loans outstanding to private sector borrowers amounting to €378 billion (net of reserves for loan losses), group equity of €32.0 billion and funds entrusted of €260 billion.

### **(B) Capitalisation**

As a result of Rabobank's cooperative ownership structure, Local Rabobanks are not allowed to pay dividends, which benefit Rabobank Group's capital base. Rabobank retains all profits after net payments on Rabobank Member Certificates (RMC's), Trust Preferred Securities II, III, IV, V and VI and several outstanding issue of Perpetual Non-Cumulative Capital Securities (all of which are part of Rabobank Tier-1 regulatory capital). Because a large part of Rabobank's assets is invested in residential mortgages, its risk adjusted capital ratios compare favourably to its peer banks. At 30 June 2008, Rabobank had a Tier 1 ratio of 10.2.

### **(C) Internal Liability (Cross-Guarantee System)**

Through their mutual financial association, various legal entities within the 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 FMSA. This relationship is formalised in an internal 'cross guarantee' system, 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. Participating entities within the Rabobank Group are:

- (1) Rabobank Nederland;

- (2) The local Rabobanks;
- (3) De Lage Landen International B.V.;
- (4) De Lage Landen Financiering B.V.;
- (5) De Lage Landen Trade Finance B.V.;
- (6) De Lage Landen Financial Services B.V.;
- (7) Schretlen & Co. N.V.;
- (8) Rabohypotheekbank N.V.; and
- (9) Raiffeisenhypotheekbank 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.

For regulatory and financial reporting purposes, Rabobank Nederland and the local Rabobanks, as well as the participating subsidiaries, are treated as one consolidated entity.

**(D) Financial Statements**

The annual reports and half-year reports of Rabobank are publicly available and can be viewed at [www.rabobank.com](http://www.rabobank.com).

## DESCRIPTION OF LOANS

The Receivables to be sold and assigned to the Issuer on the Closing Date represent any and all rights of the Seller against Borrowers under or in connection with the Portfolio Loans. The Portfolio Loans have been selected according to the Receivable Criteria as set out in the Receivables Purchase Agreement. For a description of the Receivable Criteria and the representations and warranties given by the Seller, see further the section entitled *Receivables Purchase Agreement*.

For the avoidance of doubt, the Seller or Servicer (as the case may be) will not be required to report on single name loans during the term of the transaction unless expressly provided otherwise in any Transaction Document.

The numerical information set out below relates to the Portfolio Loans.

TABLE A - Key Portfolio Characteristics

Average Loan Size per Borrower	€220,015
Average Loan Size	€160,181
Maximum Borrower Concentration	€10,000,000.00
Number of Borrowers	47,724
Number of Loans	65,551
Total Principal Balance	€10,499,999,996
Weighted Average Coupon	5.59%
Weighted Average Maturity in Months	106.4
Weighted Average Seasoning in Months	43.3
Weighted Average Rating	14.7

TABLE B - Distribution by Loan Size

	# of Loans	Principal Balance	% of Pool
0-1,000,000	64,207	€7,644,307,768	72.8%
1,000,000-2,000,000	889	€1,227,246,349	11.7%
2,000,000-3,000,000	234	€576,903,794	5.5%
3,000,000-4,000,000	106	€371,126,327	3.5%
4,000,000-5,000,000	44	€197,534,190	1.9%
5,000,000-6,000,000	23	€127,495,557	1.2%
6,000,000-7,000,000	25	€161,844,226	1.5%
7,000,000-8,000,000	12	€92,193,265	0.9%
8,000,000-9,000,000	5	€43,102,770	0.4%
9,000,000-10,000,000	6	€58,245,750	0.6%
Grand Total	65,551	€10,499,999,996	100.0%

TABLE C - Distribution by Borrower Size

	# of Borrowers	Principal Balance	% of Pool
0-1,000,000	46,045	€6,699,965,137	63.8%
1,000,000-2,000,000	1,056	€1,454,158,385	13.8%
2,000,000-3,000,000	288	€697,541,897	6.6%
3,000,000-4,000,000	144	€498,471,316	4.7%
4,000,000-5,000,000	61	€273,713,384	2.6%
5,000,000-6,000,000	50	€271,781,211	2.6%
6,000,000-7,000,000	32	€207,026,920	2.0%
7,000,000-8,000,000	26	€195,791,031	1.9%
8,000,000-9,000,000	12	€104,674,795	1.0%
9,000,000-10,000,000	10	€96,875,919	0.9%
Grand Total	47,724	€10,499,999,996	100.0%



*TABLE D - Distribution by Origination Year*

	# of Loans	Principal Balance	% of Pool
<2000	12,416	€1,135,060,804	10.8%
2000	2,917	€373,003,634	3.6%
2001	3,336	€479,566,819	4.6%
2002	3,471	€541,711,215	5.2%
2003	4,696	€810,508,980	7.7%
2004	4,431	€753,970,138	7.2%
2005	6,841	€1,044,869,232	10.0%
2006	8,255	€1,534,877,530	14.6%
2007	10,254	€2,063,175,651	19.6%
2008	8,934	€1,763,255,993	16.8%
Grand Total	65,551	€10,499,999,996	100.0%

*TABLE E - Distribution by Maturity Year*

	# of Loans	Principal Balance	% of Pool
2010	4,574	€349,041,654	3.3%
2011	6,414	€526,572,265	5.0%
2012	6,998	€733,900,744	7.0%
2013	7,226	€874,854,690	8.3%
2014	4,501	€652,539,064	6.2%
2015	4,230	€618,795,562	5.9%
2016	4,306	€711,195,442	6.8%
2017	4,586	€872,981,497	8.3%
2018	4,788	€918,995,887	8.8%
2019	3,738	€745,441,900	7.1%
2020	3,769	€856,843,807	8.2%
2021	3,887	€940,111,294	9.0%
2022	3,803	€970,601,430	9.2%
2023	2,731	€728,124,761	6.9%
Grand Total	65,551	€10,499,999,996	100.0%

*TABLE F - Distribution by Industry Sector*

	# of Borrowers	Principal Balance	% of Pool
Accommodation services	2,939	€330,226,878	3.1%
Administrative services	428	€69,271,254	0.7%
Agriculture	10,723	€2,501,484,811	23.8%
Construction	3,919	€438,123,672	4.2%
Entertainment	1,553	€208,023,835	2.0%
Finance and insurance	823	€384,155,065	3.7%
Health care	1,157	€211,095,731	2.0%
Management of companies	5,134	€2,088,046,190	19.9%
Manufacturing	2,676	€477,574,057	4.5%
Other services	2,339	€266,829,812	2.5%
Professional services	2,191	€332,054,034	3.2%
Real estate	2,562	€921,830,659	8.8%
Retail trade	6,048	€660,464,806	6.3%
Transportation	2,051	€891,526,228	8.5%
Wholesale trade	2,855	€659,289,209	6.3%
Other	326	€60,003,756	0.6%
Grand Total	47,724	€10,499,999,996	100.0%

*TABLE G - Distribution by Geography*

	# of Borrowers	Principal Balance	% of Pool
Drenthe	657	€94,124,998	0.9%
Flevoland	525	€129,425,820	1.2%
Friesland	2,864	€587,280,726	5.6%
Gelderland	6,757	€1,353,051,570	12.9%
Groningen	1,484	€312,917,047	3.0%
Limburg	3,692	€824,157,493	7.8%
Noord-Brabant	8,977	€1,919,400,048	18.3%
Noord-Holland	5,648	€1,172,228,425	11.2%
Overijssel	4,948	€975,660,761	9.3%
Utrecht	2,161	€539,636,398	5.1%
Zeeland	1,533	€263,809,454	2.5%
Zuid-Holland	8,474	€2,328,029,512	22.2%
Unknown	4	€277,743	0.0%
Grand Total	47,724	€10,499,999,996	100.0%

*TABLE H - Distribution by Rabobank Risk Rating<sup>1</sup>*

	# of Borrowers	Principal Balance	% of Pool
R07	415	€98,928,226	0.9%
R08	432	€61,411,517	0.6%
R09	417	€99,730,080	0.9%
R10	490	€228,467,063	2.2%
R11	1,373	€539,371,128	5.1%
R12	2,995	€804,522,109	7.7%
R13	6,097	€1,464,731,802	13.9%
R14	7,415	€1,643,384,367	15.7%
R15	8,562	€1,848,475,213	17.6%
R16	7,756	€1,570,124,139	15.0%
R17	4,705	€952,133,711	9.1%
R18	1,865	€347,355,188	3.3%
R19	622	€116,766,454	1.1%
R20	4,580	€724,598,999	6.9%
Grand Total	47,724	€10,499,999,996	100.0%

*TABLE I - Distribution by Product Type*

	# of Loans	Principal Balance	% of Pool
Annuity loan	870	€82,039,240	0.8%
Bullet loan	41	€8,735,295	0.1%
Linear loan	59,230	€7,363,746,633	70.1%
Roll over loan	5,410	€3,045,478,828	29.0%
Grand Total	65,551	€10,499,999,996	100.0%

*TABLE J - Distribution by Relevant Security*

	# of Loans	Principal Balance	% of Pool
Mortgage	56,326	€9,014,842,762	85.9%
Other Relevant Security	6,023	€957,243,583	9.1%
Not secured by Relevant Security	3,202	€27,913,650	5.0%
Grand Total	65,551	€10,499,999,996	100.0%

<sup>1</sup> R0 indicates a low probability of default and R20 indicates a high probability of default.

## LOAN UNDERWRITING AND SERVICING

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

### RABOBANK INTERNAL PROCESS

#### (A) Introduction

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

Support related to specific areas is provided by:

- (a) Rabobank Bouwfonds (including FGH Bank N.V. and Rabo Real Estate) for real estate financing and project development;
- (b) De Lage Landen for leasing and factoring;
- (c) Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) for derivatives and international servicing; and
- (d) Rabobank Corporate Clients for enterprises with revenues exceeding €30,000,000, and other departments for specific sectors (i.e. healthcare and public sector).

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

#### (B) General approval regulations

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

#### (C) Risk analysis

Rabobank determines the credit risk of its borrowers by using advanced internal rating-based approach. The risk profile of the borrower is determined by the expected loss (EL), whereby  $EL = \text{probability of default (PD)} * \text{loss given default (LGD)} * \text{exposure at default (EAD)}$ . The PD is determined using scorecards that have been created for different categories of Borrowers. The Rabobank risk rating (the "**Rabobank Risk Rating**") is a translation of the PD and provides an indication of the probability of default for a Borrower (with a range between R0 (which

indicates a low probability of default) to and including R20 (which indicates high probability of default)). The LGD is a weighting that represents the proportion of EAD that will be lost if default occurs. The EAD is the exposure at the time of default.

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

**(D) Credit application and authorisation levels**

At the start of the credit process a Borrower is screened (client acceptance/customer due diligence). The key elements of the credit application are:

- (a) *Company risks*: consisting *inter alia* of competition, quality of management and critical success factors;
- (b) *Financial performance*, consisting *inter alia* of historical and future analysis of annual results and specifically payment capacity and financial position; and
- (c) *Bank position*: consisting *inter alia* of quality of Relevant Security, commitment of entrepreneur and conditions and covenants.

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

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

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

**(E) Credit review**

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

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

**(F) Default rating and loan quality classification**

The following default ratings exist within Rabobank:

- (a) *D1*: over 90 days in arrears;
- (b) *D2*: General deterioration of credit quality;
- (c) *D3*: Restructuring; and
- (d) *D4*: Bankruptcy.

In addition to the D-rating, the Borrower receives a loan quality classification: good, OLEM (Other Loans Especially Mentioned), substandard, doubtful and loss. A D2-rating or higher and a change in continuity classification are always confirmed by the credit committee of the Local Rabobank on the basis of a credit review. In the credit review the next steps are determined. For credit reviews which exceed the local authorisation level approval from Rabobank's central credit risk management department is required.

**(G) Special credit risk management local level**

Borrowers will be transferred to special credit risk management department of Local Rabobanks when one of the below criteria is met:

- (a) over 90 days in arrears;
- (b) Loan classification: substandard, doubtful, loss;
- (c) 2 consecutive years of negative financial results and the LGD is higher than 10 %.

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

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

**(H) Special credit risk management central level**

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

- (a) Potential loss exceeding 10 per cent. of the internal authorisation level of the relevant Local Rabobank and potential loss exceeding €250,000; or
- (b) Loans, with a minimum of €100.000, are granted by more Rabobank Group Companies; or

- (c) Potential reputation risk for the Rabobank Group,

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

## **SERVICING PRINCIPLES**

### **(A) Servicing**

The administration, collection and enforcement of each Receivable, including the foreclosure of any Relevant Security, shall be carried out in accordance with the servicing principles (the "**Servicing Principles**") as described below, by the Servicer on behalf of the Issuer.

### **(B) Standard of Servicer**

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

- (a) service each Receivable in accordance with Rabobank's Credit and Collection Policy;
- (b) collect each Receivable that becomes a Defaulted Receivable and foreclose any Relevant Security in a manner that complies in all material respects with the recovery standards set out below; and
- (c) perform the duties in (a) and (b) above with no less care than the Servicer exercises or would exercise in connection with the servicing of assets similar to the Receivables held for its own account, whereby, for the avoidance of doubt, the Receivables (whether upon the occurrence of a Credit Event or otherwise) will be treated the same as such similar assets held for its own account, subject to the Servicing Principles set out under (a) and (b) above.

### **(C) Discretion of Rabobank Servicer**

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

unless the Servicer concludes, in its professional judgement, that such enforcement or foreclosure would not be justified in view of the expected proceeds thereof.

**(D) Recovery Standards applicable to the servicing of the Receivable by the Servicer**

With respect to any Relevant Security securing a Defaulted Receivable, the Servicer shall apply or procure the application of the proceeds thereof towards the Issuer (taking into account the Issuer's pro rata entitlement to such proceeds as determined by reference to the outstanding principal amount of the relevant obligations on the date on which the Credit Event in respect of the applicable Loan and/or Receivable occurred).

**(E) Amendments of the Collection and Recoveries Procedures**

The policies set out above are those that apply on the date of this Prospectus. Such policies may be amended and varied from time to time in the future, in accordance with the below. The Servicer may amend or supplement Rabobank's Credit and Collection Policy at its sole discretion from time to time, provided that: (a) if any such amendment or supplement is inconsistent with Rabobank's Credit and Collection Policy, it shall not be applied with respect to the Receivables; (b) if such amendment or supplement may, in the professional judgement of a Prudent Lender, adversely affect the determination of the Realised Losses from the perspective of the Issuer, it shall not be applied to the Receivables, unless in the case of each of (a) or (b) otherwise required by mandatory provisions of law; and (c) to the extent such amendment or supplement, in the professional judgement of the Servicer, affects or may affect the interests of the Issuer, the Rating Agencies receive notice thereof from the Servicer.

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

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

## RECEIVABLES PURCHASE AGREEMENT

The Seller will acquire the Receivables from the relevant Originators pursuant to the SSA in order to be able to offer the Receivables for sale to the Issuer under the Receivables Purchase Agreement.

In order to enable the Seller to acquire the Receivables the Originators have authorised the Seller to effect a transfer (*juridische overdracht*) to the Seller of one or more Receivables selected by the Seller. Pursuant to the SSA the Seller can also request a retransfer of Receivables to the relevant Originator.

Each relevant Rabobank Group Company and each relevant Local Rabobank, to the extent required, has in the SSA granted its cooperation to, and any consent required for, any transfer of a Receivable relating to a Joint Creditor Loan, and has taken all such actions as may be required to effectively transfer any such Receivable to the Seller. In addition the SSA provides that, to the extent a Rabobank Group Company or a Local Rabobank has any Payment Claim in respect of a Receivable, such Payment Claim will be assigned to the Seller in accordance with the terms of the SSA.

Furthermore, the SSA contains certain arrangements with respect to the management and administration of joint security interests in the Relevant Security, which are co-held by the relevant Local Rabobank(s) and the relevant Rabobank Group Compan(y)(ies), and following the assignment of the Receivables to the Seller and the subsequent assignment and pledge of the Receivables to the Issuer and the Security Trustee, will be co-held by the relevant Local Rabobank(s) and the relevant Rabobank Group Compan(y)(ies), the Seller, the Issuer and the Security Trustee (as applicable).

Under the Receivables Purchase Agreement the Issuer will, on the Closing Date, purchase and accept from the Seller the assignment of the Receivables by means of a deed of assignment, which Receivables the Seller acquired from the relevant Originators under the SSA. The deed of assignment will be registered with the competent Dutch tax authorities as a result of which the Receivables are transferred to the Issuer. The assignment of the Receivables from the Seller to the Issuer will not be notified to the Borrowers, except upon the occurrence of an Assignment Notification Event.

Before such notice is given the Borrowers can only discharge their payment obligations under the Receivables (*bevrijdend betalen*) by paying to the relevant Local Rabobank(s) or relevant Rabobank Group Compan(y)(ies) or, if notification of the assignment of the Receivables from the relevant Originator to the Seller is made to the Borrower pursuant to the terms of the SSA, the Seller unless an Assignment Notification Event has occurred and as a result of which notification is also made to the Borrowers of the assignment of the Receivables from the Seller to the Issuer, in which case the Borrowers can only discharge their payment obligations under the Receivables by paying to the Issuer (or the Security Trustee (as the case may be)).

The Receivables Purchase Agreement will be entered into by the Issuer, the Security Trustee and Rabobank (on behalf of itself as Seller, on behalf of the Local Rabobanks and the Rabobank Group Companies).



Under the Receivables Purchase Agreement, the Seller (on behalf of itself and the relevant Local Rabobank(s) and the relevant Rabobank Group Companies) will agree with the Issuer and the Security Trustee that the Issuer and/or the Security Trustee (as applicable) will manage and administer any co-held security interests. See further the paragraphs entitled *Relevant Security*, and *Joint Security* in the section entitled Risk Factors.

The Issuer will be entitled to all proceeds in respect of the Receivables following the Portfolio Cut-Off Date. The Seller will therefore undertake in the Receivables Purchase Agreement that it will procure the transfer to the Issuer of an amount equal to any amounts received by the relevant Local Rabobank or it in respect of, or in connection with, the Receivables.

The Receivables Purchase Agreement provides that if a Borrower offsets amounts due to the Borrower by a Local Rabobank, a Rabobank Group Company and/or the Seller against any amount due by the Borrower in connection with a Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Receivable, the relevant Local Rabobank, the relevant Rabobank Group Company and/or the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable.

### **Purchase Price of Receivables**

The purchase price for the Receivables will consist of:

- (a) an initial purchase price (the "**Initial Purchase Price**"), payable on the Closing Date, which will be equal to €10,500,000,000.00; and
- (b) a deferred purchase price (the "**Deferred Purchase Price**").

The Issuer will apply the net proceeds from the issue of the Notes (other than the Class F Notes) towards payment of the Initial Purchase Price.

The Deferred Purchase Price will be equal to the sum of all deferred purchase price instalments and each such instalment will be equal to: (i) any amount remaining after all amounts due and payable in the Interest Priority of Payments under items (a) to (t) (inclusive) have been paid in full; (ii) any amount remaining after all amounts due and payable in the Principal Priority of Payments under items (a) up to and including (e) (inclusive); and (iii) after an Enforcement Notice has been served by the Security Trustee, any amount remaining after all amounts due and payable in the Enforcement Priority of Payments under item (a) to (r) (inclusive) have been paid in full (the "**Deferred Purchase Price Instalments**" and each a "**Deferred Purchase Price Instalment**").

See further the section entitled *Credit Structure* above.

### **Representations and warranties**

The Seller will represent, warrant and where appropriate, covenant on the Closing Date with respect to the Loans (including, for the avoidance of doubt, any loan parts not sold to the Issuer pursuant to the Receivables Purchase Agreement unless such representation and warranty applies to Portfolio Loans only) and the Receivables that, *inter alia*:

- (a) the Receivables are validly existing;
- (b) it has full right and title (*titel*) to the Receivables, and no restrictions on the sale and transfer of the Receivables are in effect and the Receivables are capable of being transferred;
- (c) it has power (*beschikkingsbevoegdheid*) to sell and assign the Receivables;
- (d) the Receivables are free and clear of any rights of pledge or other similar rights (*beperkte rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Receivables, other than pursuant to the Transaction Documents;
- (e) if and to the extent that Loans are secured by Relevant Security, the Relevant Security constitute valid mortgage rights (*hypotheekrechten*), sureties (*borgtochten*), rights of pledge (*pandrecht*) or other security rights (*zekerheidsrechten*), respectively, on the assets which are the subject of such mortgage rights, guarantees by way of a surety (*borgtocht*), rights of pledge and other security rights and, to the extent relating to the mortgage rights, have been entered into the appropriate public register;
- (f) neither an Originator, any other Local Rabobank, a Rabobank Group Company nor the Seller has entered into any agreements with a Borrower as a result of which any Relevant Security relating to a Receivable would not (partially) follow such Receivable upon assignment or pledge of such Receivable to any third party;
- (g) immediately prior to the assignment of a Receivable by an Originator to the Seller, and by the Seller to the Issuer, respectively, such Originator and the Seller, respectively, had full right and title to the Relevant Security relating to such Receivable and neither such Originator, any other Local Rabobank, a Rabobank Group Company nor the Seller, respectively, have created any security interest over the assets secured by such Relevant Security in favour of any third party and neither such Originator, any other Local Rabobank, a Rabobank Group Company nor the Seller, respectively, have entered into any agreement with a third party that would impair the rights of any transferee of such Receivable in respect of such Relevant Security;
- (h) each Receivable and each Relevant Security, if any, are governed by Netherlands law;
- (i) each Receivable, and each Relevant Security, if any, securing such Receivable, constitutes legal, valid, binding and enforceable obligations of the Borrower, subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;
- (j) the particulars of each Receivable (or part thereof) as set out in Schedule 2 to the Receivables Purchase Agreement and the Annex to the Deed of Assignment and Pledge (as defined in the Receivables Purchase Agreement) are complete, true and accurate in all material respects;
- (k) each Portfolio Loan meets the Receivable Criteria applicable to it on the date that the Receivables in relation to such Portfolio Loan are transferred to the Issuer;

- (l) it has not been notified and is not aware of anything affecting its title to the Receivables;
- (m) with respect to Receivables secured by mortgage rights, the notarial mortgage deeds (*minuut*) relating to the Loans are held by a civil law notary (*notaris*) in The Netherlands, while electronic and/or hard copies of such deeds and of the other security documents are held by the Servicer and/or its sub-contractor (if any);
- (n) to the best of its knowledge, no Borrower is in any material breach of any provision of the Loans, including without limitation in relation to the payment of amounts due and payable under any of the Loans;
- (o) to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, each of the Borrowers, when entering into a Loan, acted in the conduct of its/his/her profession or trade;
- (p) each Loan is originated according to the Rabobank underwriting criteria (incorporated in the *Algemene Goedkeuringsregeling Bedrijven* (AGRB) rules and advices) as applicable at the time of origination;
- (q) all Relevant Security has been granted in accordance with the relevant security documentation prevailing at the time of origination or at the time that such security was created;
- (r) to the best of its knowledge, the information in respect of the Portfolio Loans that has been provided to the Rating Agencies on or before the Closing Date is accurate and complete at the time such information is provided;
- (s) to the best of its knowledge, no subordination arrangement has been entered into with a Borrower in respect of a Receivable pursuant to which such Receivable would be subordinated to one or more other obligations of the relevant Borrower, other than those obligations preferred by statute;
- (t) the General Conditions that have been used by an Originator in the relevant periods and which apply to the relevant Loans, are (i) the General Conditions listed in the relevant part of Schedule 7 to the Receivables Purchase Agreement or (ii) General Conditions that are substantially in the form of the General Conditions listed in the relevant part of Schedule 7 to the Receivables Purchase Agreement;
- (u) each Portfolio Loan that is a Joint Creditor Loan is to be considered as constituting a separate legal relationship between the Borrower, on the one hand, and the relevant Rabobank Group Compan(y)(ies) and the relevant Local Rabobank(s), on the other hand, and no Local Rabobank or Relevant Group Company has combined or taken any action to combine, any such Portfolio Loan with any other Portfolio Loan or loan entered into with such Borrower; and
- (v) certain (but not all) General Conditions that have been used by an Originator in the relevant periods and which apply to a number of Loans provide either that (i) the Borrower is not entitled to apply set-off with respect to any payment obligation in respect of its Loan or (ii) all payments by the Borrower in respect of its Loan should be made without set-off.

## Receivable Criteria

The Borrowers, the Portfolio Loans and/or the Receivables (as applicable) will meet the following criteria (the "**Receivable Criteria**"):

- (a) each Receivable is resulting from a Portfolio Loan which is legally valid, binding and enforceable in accordance with its terms and applicable provisions of law;
- (b) each Receivable is not subject to any limited right (*beperkt recht*) in favour of a third party;
- (c) the Seller has not received any written notice of any outstanding litigation, dispute or claim which materially affects or might reasonably be expected to affect materially the Seller's ability to enforce any Receivables and any related recoveries fully, effectively and promptly;
- (d) each Receivable is denominated in euro;
- (e) each Receivable has been granted in accordance with the Seller's or the Local Rabobank's (as the case may be) lending policies and credit scoring procedures and has been serviced in accordance with the Servicing Principles;
- (f) each Receivable is resulting from a Portfolio Loan which is an irrevocable debt obligation of the Borrower and can under its terms not be converted into an equity instrument in the capital of the Borrower or any other party;
- (g) all principal amounts agreed to be advanced under each Receivable have been fully drawn down and no further advances are required to be made under the terms of such Receivables;
- (h) each Receivable which is resulting from a Joint Creditor Loan, was funded by the relevant Local Rabobank or Local Rabobanks;
- (i) in respect of each Receivable, a minimum of at least one interest payment has been made;
- (j) the legal final maturity of each Portfolio Loan does not extend beyond August 2023;
- (k) the aggregate principal amount outstanding in respect of all Receivables resulting from one and the same Portfolio Loan of the same Borrower or Borrowers does not exceed Euro 10,000,000;
- (l) the minimum aggregate principal amount outstanding of each Portfolio Loan is Euro 1,000;
- (m) each Borrower has a Rabobank Risk Rating of at least R20;
- (n) each Borrower is a private enterprise (*particulier bedrijf*), a financial institution, government related company (*overheidsbedrijf*), a medical institution, an association, a foundation or a professional practitioner (*vrije beroepsoefenaar*);

- (o) each Borrower is incorporated, domiciled or has a principal place of business in The Netherlands;
- (p) none of the Borrowers is a group entity of the Seller (within the meaning of Article 2:24(b) of the Netherlands Civil Code); and
- (q) at the Portfolio Cut-Off Date (i) no Borrower is in arrear under its payment obligations towards the Seller or a Local Rabobank and (ii) no Credit Event has occurred, in each case in respect of any Portfolio Loan.

### **Assignment Notification Events**

Each of the following events is an "**Assignment Notification Event**":

- (a) the Seller or any relevant Originator fails in any material respect to duly perform, or comply with, any of its obligations under the Receivables Purchase Agreement or under any of the other Transaction Documents to which it is a party and such failure, if capable of being remedied, is not remedied within ten (10) Business Days after notice thereof; or
- (b) any representation, warranty or statement made or deemed to be made by the Seller or any relevant Originator in the Receivables Purchase Agreement, other than the representations and warranties made in relation to the Loans and the Receivables, or under any of the other Transaction Documents to which the Seller or any relevant Originator is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (c) the Seller or any relevant Originator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*), the Seller or any relevant Originator has become subject to special measures (*noodregeling*) or, if applicable, applies for or is granted a suspension of payments (*surseance van betaling*), the Seller or any relevant Originator applies for its bankruptcy or is declared bankrupt (*failliet verklaard*) or any steps have been taken for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (d) in case, the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller cease to be rated at least (i) A3 by Moody's or (ii) A- by S&P; or
- (e) it becomes unlawful for the Seller or any relevant Originator to perform all or a material part of its obligations under the Transaction Documents in such a manner that this would have a material adverse effect on its ability to perform such obligations; or
- (f) the occurrence of a Pledge Notification Event.

If an Assignment Notification Event occurs, unless the Security Trustee instructs the Seller otherwise within ten (10) Business Days if it has determined (either on the basis of confirmation from, or notification to, the Rating Agencies) that not giving such notification will not adversely affect the then current ratings of the Notes, the Seller undertakes to:

- (a) forthwith notify in the manner provided for in the Receivables Purchase Agreement the relevant Borrowers and any other related party indicated by the Issuer and/or the Security Trustee of the assignment of the Receivables, and
- (b) in relation to Receivables secured by mortgages, make the appropriate entries in the relevant public registers (*Dienst van het Kadaster en de Openbare Registers*) with regard to the assignment of the Receivables.

The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled to effect such notification and entry itself for which the Seller, to the extent required, will grant an irrevocable power of attorney to the Issuer and the Security Trustee in the Receivables Purchase Agreement.

#### **Issuer not to dispose of Receivables**

The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and as further provided in the Trust Deed and the Receivables Purchase Agreement. If the Issuer decides to offer for sale the Receivables it will first offer such Receivables to the Seller.

#### **Repurchase of Receivables**

Under the Receivables Purchase Agreement the Seller will, at its own expense, repurchase and accept assignment of all (but not part only) of the relevant Receivable:

- (a) on the Portfolio Payment Date following the immediately preceding Portfolio Calculation Period in which the relevant remedy period (if any) expired, if any of the representations and warranties given by the Seller in respect of a Loan and/or a Receivable, including the representation and warranty that the Loan or, as the case may be, the Receivable meets the relevant Receivable Criteria, are untrue or incorrect at the time such representations and warranties are made; and
- (b) on the Portfolio Payment Date following the immediately preceding Portfolio Calculation Period in which an Originator agreed with a Borrower to amend the terms of the Loan, including any applicable General Conditions, and, *inter alia*, as a result thereof such Loan no longer meets the Receivable Criteria set forth in the Receivables Purchase Agreement, unless, such amendment is made as part of the enforcement procedures in relation to a Defaulted Receivable.

In case of such a repurchase, the purchase price of the relevant Receivable (including any Defaulted Receivable) shall be for an amount equal to the principal amount outstanding of the relevant Receivable, together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivable and any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment.

#### **Optional Redemption**

If the Issuer exercises its right to redeem the Notes on any Optional Redemption Date, it has the right to sell the Receivables. The Issuer shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 Business Days inform the Issuer whether it wishes to

repurchase the Receivables. After such 15 Business Day period, the Issuer may offer such Receivables for sale to any third party.

If the Receivables are sold to the Seller the purchase price of the Receivables (other than Defaulted Receivables) will be the aggregate principal amount outstanding in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment. The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables, taking into account any adjustments resulting from the verification (if any) conducted by the Independent Accountants in respect of the Defaulted Receivables. On the Rated Notes Redemption Date the Estimated Loss Amount will be debited to the Estimated Loss Ledgers.

Should the Seller decide not to purchase the Receivables, the Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) to a third party for a price at least equal to (i) in respect of the Receivables that are not Defaulted Receivables the aggregate principal amount outstanding in respect of such Receivables together with any accrued interest up to but excluding the date of sale and assignment of such Receivables and any costs incurred by the Issuer in effecting and completing such sale and assignment and (ii) in respect of any Defaulted Receivables the aggregate Market Value of such Receivables. Notwithstanding the Issuer's best efforts undertaking, if such purchase price is lower than the aggregate principal amount outstanding in respect of such Receivables (including the Defaulted Receivables), this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger.

#### **Seller Clean-Up Option**

The Seller may, without the obligation to do so, repurchase and accept re-assignment of all (but not only part of) the Receivables then outstanding on each Quarterly Payment Date on which the aggregate outstanding principal amount under the Portfolio Loans is less than 10 per cent. of the aggregate outstanding principal amount under the Portfolio Loans forming part of the portfolio on the Closing Date, *provided that* the Seller has notified the Issuer and the Security Trustee on a date that is at least one (1) calendar month before the Quarterly Payment Date on which it intends to exercise the Seller Clean-Up Option. The purchase price of such Receivables will be calculated in the same manner as described in the section *Optional Redemption* above.

#### **Regulatory Call Option**

The Seller may, without the obligation to do so, repurchase and accept assignment of all (but not only part of) the Receivables then outstanding on a Quarterly Payment Date if there has been a Regulatory Change *provided that* the Seller has notified the Issuer and the Security Trustee on a date that is at least one (1) calendar month before the Quarterly Payment Date on which it intends to exercise the Regulatory Call Option. The purchase price of such Receivables will be calculated in the same manner as described in the section *Optional Redemption* above.

### **Redemption for tax reasons**

If the Issuer exercises its option to redeem the Notes for tax reasons in accordance with Condition 7.9 (*Optional Redemption for Tax Reasons*), the Issuer has undertaken in the Receivables Purchase Agreement to first offer the Receivables for sale to the Seller. The Seller shall within a period of 15 Business Days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 Business Day period, the Issuer may offer the Receivables for sale to any third party. The purchase price of such Receivables should at least be an amount that would enable the Issuer to deliver the certificate referred to in Condition (9)(b) (*Optional redemption for tax reasons*).

### **Verification by Independent Accountants**

If on any Quarterly Payment Date during the Verification Period the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period, exceeds the amount standing to the credit of the Reserve Account as at such Quarterly Payment Date (after application of the Interest Available Funds in accordance with the Interest Priority of Payments on such date), the Independent Accountants will be required to verify that, to the extent that such matters can be objectively verified and on the basis of information supplied by the Seller or otherwise, whether (i) as at the Portfolio Cut-Off Date the relevant Receivables and related Borrowers and Portfolio Loans complied with the Receivable Criteria, and (ii) the aggregate Realised Losses incurred from the Closing Date up to and including the last day of the immediately preceding Notes Calculation Period have been calculated and assessed in accordance with the appropriate methodology (which includes, for the avoidance of doubt, verification whether the relevant Receivables in respect of which a Realised Loss was incurred were indeed Defaulted Receivables), provided that in the Verification Period only two verifications shall be required to be carried out by the Independent Accountants regardless of any such excess on any subsequent Quarterly Payment Date, and of which one shall in any event be required to be carried out by the Independent Accountants on a Rated Notes Redemption Date.

Each such verification will be carried out by the Independent Accountants promptly following such Quarterly Payment Date or Rated Notes Redemption Date (as the case may be) and will in any case be required to have been carried out at least 10 Business Days prior to the Quarterly Payment Date immediately following such Quarterly Payment Date or Rated Notes Redemption Date (as the case may be).

### **Trigger Collateral**

The Receivables Purchase Agreement provides that if a Borrower invokes a right of set-off for amounts due to it by the Seller, a Local Rabobank or a Rabobank Group Company against the relevant Receivable and, as a consequence thereof, the Issuer has not received on a relevant



Portfolio Payment Date the amount which it is entitled to receive in respect of such Receivable, the Seller, such Local Rabobank or Rabobank Group Company will pay to the Issuer on the following Portfolio Payment Date an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable. To secure the obligations of the Seller, the Local Rabobanks and the Rabobank Group Companies in this respect, the Seller shall to transfer the Trigger Collateral to the Issuer up to the Trigger Collateral Required Amount. Any such Trigger Collateral shall be transferred to a bank account designated for such purpose by the Issuer as approved by the Security Trustee and the Issuer shall in accordance with the Trust Deed create a security interest in favour of the Security Trustee over such Trigger Collateral as security for the Parallel Debt pursuant to a Pledge Agreement on terms and conditions acceptable to the Security Trustee.

The Issuer and the Security Trustee (as the case may be) shall, on any Quarterly Payment Date, have the right to apply from such Trigger Collateral the unpaid Set-Off Amount as at the immediately preceding Portfolio Payment Date. In case of Excess Trigger Collateral, the Issuer shall transfer to the Seller an amount equal to the Excess Trigger Collateral (if applicable). Any such transfer by the Issuer to the Seller of an amount equal to the Excess Trigger Collateral shall be made outside of the Priority of Payments.

## **SERVICING AGREEMENT AND ISSUER ADMINISTRATION AGREEMENT**

### **Servicing Agreement**

Under the Servicing Agreement, the Servicer will provide payment transactions and other services to the Issuer on a day-to-day basis in relation to the Portfolio Loans and the Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Portfolio Loans, and the implementation of arrears procedures including the enforcement of security rights (see further the section entitled *Loan Underwriting and Servicing*) (the "**Services**"). The Services can be divided into three (3) different types of services, namely services relating to (i) performing Portfolio Loans, (ii) non-performing Portfolio Loans and (iii) any other general services. The Issuer will pay separate fees in respect of each of such Services.

The Servicer will be obliged to manage the Portfolio Loans and the Receivables with the same level of skill, care and diligence as Loans and Receivables in its own or, as the case may be, a relevant Originator's portfolio.

The Servicer will be permitted to sub-contract its servicing role to a third party servicer subject to the applicable conditions in the Servicing Agreement. The Servicer shall initially sub-contract its servicing role in respect of a number of Portfolio Loans to the relevant Local Rabobanks. Any sub-contracting or delegation of the performance of any of the Servicer's obligations under the Servicing Agreement shall not release or discharge the Servicer in any way from its obligations thereunder for which the Servicer shall remain liable to the same extent as if such sub-contracting or delegation had not been made and as if the acts and omissions of the sub-contractor or delegate were the acts and omissions of the Servicer, and shall not create any right or entitlement of the relevant sub-contractor under the Servicing Agreement.

The Servicing Agreement may be terminated, *inter alia*, by the Issuer and the Servicer, acting jointly, upon the occurrence of certain termination events (which include certain failures by the Servicer to comply with its obligations under the Servicing Agreement and certain insolvency events), provided that the effective date of such termination shall be no earlier than the effective date of the appointment of a substitute servicer.

In addition, the Servicing Agreement may be terminated by the Servicer in respect of one or more Services upon the expiry of not less than six (6) months' notice of termination given to each of the Issuer and the Security Trustee or if a default is made by the Issuer in the payment on the due date of any payment due and payable by the Issuer to the Servicer in accordance with the terms of the Servicing Agreement, provided that, *inter alia*, a substitute servicer shall be appointed in respect of the relevant Services terminated on terms acceptable to the Rating Agencies (other than Moody's) and of which prior notice is given to Moody's, the effective date of such appointment shall be no earlier than the date of termination of the Servicing Agreement and the substitute servicer has experience in the servicing of loans to small and medium sized enterprises and security rights related thereto in The Netherlands.

### **Issuer Administration Agreement**

Under the Issuer Administration Agreement, the Issuer Administrator will provide certain administration, calculation and cash management services to the Issuer, including:

- (a) crediting, debiting and generally managing all amounts on behalf of the Issuer in respect of the Accounts, the Liquidity Facility Stand-by Drawing Account and the Liquidity Facility Account;
- (b) calculating and paying to the relevant parties all amounts that are due and payable by the Issuer pursuant to the Transaction Documents;
- (c) establishing and maintaining all accounting records and ledgers required in respect of the provision of, amongst other things, the services in (a) and (b), above;
- (d) calculating on behalf of the Issuer all calculations required to be made by the Issuer pursuant to the Conditions;
- (e) undertaking all filings, give all notices, including, without limitation, any notices to be made in connection with the Notes, and making all registrations and other notification required to be given by the Issuer in respect of the day-to-day operation of the business of the Issuer; and
- (f) provide and perform any other additional services that may be agreed between the Issuer, Issuer Administrator and the Security Trustee, from time to time.

The Issuer Administrator will be permitted to sub-contract its administration, calculation and cash management role to a third party administrator subject to the applicable conditions in the Issuer Administration Agreement. Any sub-contracting or delegation of the performance of any of the obligations of the Issuer Administrator under the Issuer Administration Agreement shall not release or discharge the Issuer Administrator in any way from its obligations thereunder for which the Issuer Administrator shall remain liable to the same extent as if such sub-contracting or delegation had not been made and as if the acts and omissions of the sub-contractor or delegate were the acts and omissions of the Issuer Administrator, and shall not create any right or entitlement of the relevant sub-contractor under the Issuer Administration Agreement.

The Issuer Administration Agreement may be terminated, *inter alia*, by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events (which include certain failures by the Issuer Administrator to comply with its obligations under the Issuer Administration Agreement and certain insolvency events), provided that the effective date of such termination shall be no earlier than the effective date of the appointment of a substitute issuer administrator. In addition, the Issuer Administration Agreement may be terminated by the Issuer Administrator if a default is made by the Issuer in the payment on the due date of any payment due and payable by the Issuer to the Issuer Administrator in accordance with the terms of the Issuer Administration Agreement, provided that the effective date of such termination shall be no earlier than the effective date of the appointment of a substitute issuer administrator.

## ISSUER

### Corporate Information

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 7 November 2008. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, The Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (general telephone number: +31 20 5771177). The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34316495.

### Objects of the Issuer

The Issuer is a special purpose vehicle whose objects are:

- (a) to acquire, purchase, manage, dispose of and encumber assets and to exercise all rights attached to the aforementioned assets, including claims (*vorderingen op naam*) deriving from or in connection with loans provided by a third party or third parties and to exercise all rights attached to the aforementioned claims;
- (b) to raise funds, including the issue of bonds or securities, as well as to borrow monies in order to acquire assets referred to under (a);
- (c) to enter into loan agreements or to otherwise raise funds in order to comply with the obligations of the Issuer under or in connection with the bonds and/or securities referred to under (b);
- (d) the hedging of interest and other financial risks by entering into hedging arrangements such as interest and/or currency swap transactions and other swap transactions;
- (e) to invest, including the lending of funds, the assets of the Issuer;
- (f) to grant security in connection with the foregoing for itself or for third parties;
- (g) to enter into agreements and/or other legal acts in connection with the foregoing and to exercise rights and to comply with its obligations under such agreements and legal acts; and
- (h) to do all such further acts that are related to the above or that are conducive thereto.

### Issuer Share Capital

The Issuer has an authorised share capital of euro 18,000 of which euro 18,000 has been issued and is fully paid. The authorised share capital is divided into one hundred and eighty (180) ordinary shares with a nominal value of one hundred euros (€ 100) each, numbered 1 up to and including 180. All shares of the Issuer are registered shares and are held by the Shareholder.

The Shareholder is a foundation (*stichting*) incorporated under the laws of The Netherlands on 2 October 2008. The objects of the Shareholder are, amongst other things, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares.

## **Statement by the Issuer Director**

Since its incorporation, the Issuer operates under the laws of The Netherlands and has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Prospectus dated 11 December 2008.

The sole director of both the Issuer and the Shareholder is ATC Management B.V., having its registered office at Olympic Plaza, Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands. The managing directors of ATC Management B.V. are J.H. Scholts, R. Langelaar, A.R. van der Veen, R. Posthumus and R. Rosenboom.

The sole shareholder of ATC Management B.V. is ATC Group B.V. The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) acting as a finance company, and (c) managing legal entities.

## **Capitalisation**

The following table shows the capitalisation of the Issuer as of 11 December 2008 as adjusted to give effect to the issue of the Notes:

### *Share Capital*

Authorised Share Capital:	euro 18,000
Issued Share Capital:	euro 18,000

### *Borrowings*

Class A Notes:	euro 9,912,000,000
Class B Notes:	euro 53,000,000
Class C Notes:	euro 262,000,000
Class D Notes:	euro 168,000,000
Class E Notes:	euro 105,000,000
Class F Notes:	euro 263,000,000

## **Auditors' Confirmation**

The following is the text of a report received by the board of managing directors of the Issuer from Ernst & Young Accountants LLP, Prof. Dr. Dorgelolaan 12, 5613 AM Eindhoven, The Netherlands (general telephone number +31 (0) 40 2602206), the auditors to the Issuer, who are a member of the Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut voor register accountants*). The information below has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by Ernst & Young Accountants LLP, no facts have been omitted which would render the reproduced information inaccurate or misleading

To the Directors of BEST SME 2008 B.V.

11 December 2008

Dear Sirs,

BEST SME 2008 B.V. (the "**Issuer**") was incorporated on 7 November 2008 under number B.V. 1519067 with an issued share capital of euro 18,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Prospectus dated 11 December 2008.

Yours faithfully,

For Ernst & Young Accountants LLP

Signed by N.A.J. Silverentand

## ISSUER ADMINISTRATOR

ATC Financial Services B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Issuer Administrator Agreement (see further the section entitled *Servicing Agreement and Issuer Administration Agreement* above). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 20 June 1963. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands (general telephone number: +31 20 5771177). The Issuer Administrator is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 33210270.

The objects of the Issuer Administrator are, amongst other things, (a) to represent financial, economic and administrative interests in The Netherlands and other countries; (b) to act as a trust company; (c) to participate in, finance, cooperate with, to manage companies and other entities, to provide advice and other services; (d) to invest assets; and (e) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Issuer Administrator are J.H. Scholts, F.E.M. Kuijpers, R. Posthumus and R. Rosenboom. The sole shareholder of ATC Financial Services B.V. is ATC Group B.V.

## **USE OF PROCEEDS**

The net proceeds of the Notes (other than the Class F Notes) which are expected to amount to approximately €10,500,000,000 will be applied on the Closing Date to pay the Initial Purchase Price for the Receivables purchased under the Receivables Purchase Agreement on the Closing Date.

The net proceeds of the Class F Notes will be applied on the Closing Date to fund the Reserve Account.



## DESCRIPTION OF SECURITY

The Notes will be secured indirectly, through the Parallel Debt (defined below), pursuant to the Trust Deed to be entered into by Issuer and the Security Trustee. The Security Trustee will act as security trustee for:

- (a) the Directors;
- (b) the Issuer Administrator;
- (a) the Liquidity Facility Provider;
- (b) the Manager as initial holder of the Notes;
- (c) the Noteholders;
- (d) the Paying Agents;
- (e) the Reference Agent;
- (f) the Seller;
- (g) the Servicer; and
- (h) the Swap Counterparty,

together with the Security Trustee, the "**Secured Parties**".

In the Trust Deed the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee an amount equal to the aggregate amount due (*verschuldigd*) from time to time by the Issuer to the Secured Parties under or in connection with the respective Transaction Documents, including the obligations under the Notes, which undertaking is herein referred to as the "**Parallel Debt**".

The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

The Parallel Debt will be secured by the Pledge Agreements.

Pursuant to the Receivables Pledge Agreement, the Issuer shall grant an undisclosed first ranking right of pledge (*stil pandrecht*) in favour of the Security Trustee on the Receivables, as security for the Parallel Debt and any other liabilities of the Issuer to the Security Trustee under the Transaction Documents.

The pledge on the Receivables created pursuant to the Receivables Pledge Agreement will not be notified to the Borrowers, except if certain pledge notification events (as defined in the Receivables Pledge Agreement) occur, which will be similar to the Assignment Notification Events defined in the Receivables Purchase Agreement but which relate to the Issuer ("**Pledge Notification Events**").

Pursuant to the Issuer Rights Pledge Agreement the Issuer shall grant a disclosed first ranking right of pledge (*openbaar pandrecht*) in favour of the Security Trustee as security for the Parallel Debt and any other liabilities of the Issuer to the Security Trustee under the Transaction Documents, on all rights of the Issuer under or in connection with:

- (a) the Accounts and the Liquidity Facility Stand-by Drawing Account;
- (b) the Account Bank Agreement;
- (c) the Issuer Administration Agreement;
- (d) the Issuer Management Agreement;
- (e) the Liquidity Facility Agreement;
- (f) the Paying Agency Agreement;
- (g) the Receivables Purchase Agreement;
- (h) the Servicing Agreement; and
- (i) the Swap Agreement.

If the Security Trustee receives any amounts in payment of the Parallel Debt, the Security Trustee shall distribute such amounts among the Secured Parties in accordance with the Enforcement Priority of Payments. The amounts due to the Secured Parties will broadly be equal to amounts recovered (*verhaald*), by the Security Trustee on:

- (a) the Receivables and other assets pledged to the Security Trustee under the Receivables Pledge Agreement; and
- (b) the assets pledged to the Security Trustee under the Issuer Rights Pledge Agreement and under and other Pledge Agreement.

The Parallel Debt described above, shall serve as security for the benefit of the Secured Parties, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, subject to the Enforcement Priority of Payments.

## **THE SECURITY TRUSTEE**

The Security Trustee is a foundation (*stichting*) incorporated under the laws of The Netherlands on 2 October 2008. It has its registered office in Amsterdam, The Netherlands.

The objects of the Security Trustee are:

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

The managing director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., having its registered office at Olympic Plaza, Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are F.E.M. Kuijpers and D.P. Stolp.

## TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form in which they will be set out in the Trust Deed (subject to completion and amendment). They will be incorporated by reference into the Notes in global form.

The Conditions are subject to the provisions of the Trust Deed, the Pledge Agreements and the other Transaction Documents.

The issue of the €9,912,000,000 Class A Floating Rate Notes due 2026 (the "**Class A Notes**"), the €53,000,000 Class B Floating Rate Notes due 2026 (the "**Class B Notes**"), the €262,000,000 Class C Floating Rate Notes due 2026 (the "**Class C Notes**"), the €168,000,000 Class D Floating Rate Notes due 2026 (the "**Class D Notes**"), the €105,000,000 Class E Floating Rate Notes due 2026 (the "**Class E Notes**"), and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Listed Notes**") and the €263,000,000 Class F Floating Rate Notes due 2026 (the "**Class F Notes**"), and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**", and "**Note**" shall mean any one of the Notes, and "**Class**" or "**Class of Notes**" means in respect of the Notes, the class of Notes being identified as the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) was authorised by a resolution of the managing board of BEST SME 2008 B.V. (the "**Issuer**") adopted on 9 December 2008.

The Notes will be issued on 15 December 2008 (the "**Closing Date**") and will be constituted by the provisions of a trust deed (the "**Trust Deed**") dated on or before the Closing Date between the Issuer and Stichting Security Trustee BEST SME 2008 (the "**Security Trustee**") as trustee for the time being of the holders of the Notes, and are subject to these terms and conditions (the "**Conditions**", and each a "**Condition**").

Under a paying agency agreement dated on or before the Closing Date (the "**Paying Agency Agreement**") between, amongst others, the Issuer, Deutsche Bank AG, London Branch, acting out of its principal office in London as principal paying agent in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (in such capacity, the "**CD Principal Paying Agent**"), Deutsche Bank AG, Amsterdam Branch, as paying agent in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (the "**CD Paying Agent**"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as principal paying agent (the "**EN Principal Paying Agent**") and paying agent in respect of the Class A Notes (the "**EN Paying Agent**") and, any further or other paying agents for the time being appointed in respect of the Notes (together with the CD Principal Paying Agent, the CD Paying Agent, the EN Principal Paying Agent and the EN Paying Agent, the "**Paying Agents**") and Deutsche Bank AG, London Branch, as reference agent (the "**Reference Agent**", and together with the Paying Agents, the "**Agents**") provision is made for, among other things, the payment of principal and interest in respect of the Notes.

Any reference in these Conditions to the Trust Deed, the Pledge Agreements, the Paying Agency Agreement or any other Transaction Document is to such document as from time to time amended, varied or novated in accordance with its provisions and includes any deed or other document expressed to be supplemental to it, as from time to time so amended.

References to the Security Trustee or any of the Agents include references to its successors, transferees and assigns and, in the case of the Security Trustee, to any additional trustee appointed under the Trust Deed, or, as the case may be, pursuant to the Pledge Agreements.

Unless stated otherwise in these Conditions, defined terms used in these Conditions have the meaning given to them in the master definitions and framework agreement entered into on or before the Closing Date (the "**Master Definitions and Framework Agreement**") between, amongst others, the Issuer and the Security Trustee, and which is available for inspection as described below.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Pledge Agreements, the Paying Agency Agreement and the other Transaction Documents.

Copies of the Trust Deed, the Paying Agency Agreement, the Pledge Agreements and the other Transaction Documents (except for the Facility Fee Letter) are available for inspection, free of charge to Noteholders, at the Specified Office of the Paying Agents and the registered office of the Security Trustee, being as at the Closing Date, Olympic Plaza, Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands.

The Noteholders and all persons claiming through them or under the Notes are entitled to the benefit of, are bound by the provisions of the Trust Deed, the Pledge Agreements, the Paying Agency Agreement and the other Transaction Documents (other than the Facility Fee Letter), and are deemed to have notice of all the provisions of the Transaction Documents (other than the Facility Fee Letter).

## 1. **DEFINITIONS**

**"Basic Terms Change"** means any change which would have the effect of:

- (a) postponing or altering the date of maturity of the Notes in respect of any Class of Notes;
- (b) postponing or altering any day for the payment of interest in respect of any Class of Notes;
- (c) postponing or altering the Rate of Interest payable in respect of any Class of Notes;
- (d) postponing, altering, reducing or cancelling the amount of principal payable in respect of any Class of Notes;
- (e) postponing or altering the date or priority of redemption of the Notes in respect of any Class of Notes;
- (f) altering the majority required to pass an Extraordinary Resolution; or
- (g) altering the definition of Basic Terms Change;

**"Business Day"** means a day, other than a Saturday or Sunday, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("**TARGET2 System**") or any successor to the TARGET2 System is operating credit or transfer instructions in respect of payments in euro and on which banking institutions in Amsterdam are generally open for commercial business;

**"CET"** means Central European Time;

**"Class"** or **"Class of Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, or any combination of them;

**"Class A Noteholders"** means the holders of the Class A Notes from time to time;

**"Class B Noteholders"** means the holders of the Class B Notes from time to time;

**"Class C Noteholders"** means the holders of the Class C Notes from time to time;

**"Class D Noteholders"** means the holders of the Class D Notes from time to time;

**"Class E Noteholders"** means the holders of the Class E Notes from time to time;

**"Class F Noteholders"** means the holders of the Class F Notes from time to time;

**"euro"**, **"€"** or **"EUR"** means the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

**"Estimated Shortfall"** shall mean, with respect to the applicable Class of Notes (other than the Class F Notes), on any Quarterly Payment Date, an amount equal to:

- (a) the balance of the relevant Estimated Loss Ledger for the relevant Class of Notes; divided by
- (b) the number of Notes of the relevant Class;

**"Exchange Date"** means with respect to a Note the first (1st) day following the expiry of not less than forty (40) but no more than ninety (90) days after the Closing Date;

**"Final Maturity Date"** means the Quarterly Payment Date falling in January 2026;

**"First Optional Redemption Date"** means the Quarterly Payment Date falling in January 2010;

**"Initial Principal Amount"** means, in relation to any Note, the Principal Amount Outstanding of such Note on the Closing Date;

**"Interest Determination Date"** means each day which is two (2) Business Days prior to a Quarterly Payment Date, and, in relation to a Quarterly Interest Period, the related interest determination date means, the Interest Determination Date immediately preceding the commencement of such Quarterly Interest Period save that the Interest Determination Date in respect of the first Quarterly Interest Period shall be two (2) Business Days prior to the Closing Date;

**"Issuer's Jurisdiction"** means The Netherlands;

**"Meeting"** means a meeting of Noteholders of any Class (whether originally convened or resumed following an adjournment) held pursuant to the Trust Deed;

**"Notes"** means in respect of each Class of Notes, the Notes represented by the Global Notes for such Class of Notes or where the context so requires, any of them, and **"Note"** shall mean in respect of each Class of Notes, any one of Notes represented by such Global Notes;

**"Permanent Global Note"** means in respect of the EN Notes, the bearer permanent global note in or substantially in the form set out in Schedule 4 (*Form of EN Permanent Global Note*) and in respect of the CD Notes, the bearer permanent global note in or substantially in the form set out in Schedule 6 (*Form of CD Permanent Global Note*) to the Trust Deed;

**"Principal Amount Outstanding"** means, on any date in relation to a Note, the principal amount outstanding of that Note as at the Closing Date less the aggregate of all Note Principal Redemption Amounts that have been paid by the Issuer in respect of that Note on or prior to that date;

**"Principal Shortfall"** means, with respect to the applicable Class of Notes except the Class F Notes, and a Quarterly Payment Date, an amount equal to:

- (a) the balance of the relevant Principal Deficiency Ledger for the relevant Class of Notes; divided by
- (b) the number of Notes of the relevant Class;

**"Priority of Payments"** means the Interest Priority of Payments, the Principal Priority of Payments and the Enforcement Priority of Payments, as applicable;

**"Specified Office"** means with respect to each Paying Agent the office listed at the end of these Conditions or such other offices as may from time to time be duly notified pursuant to Condition 15 (*Notices*);

**"Tax"** means and shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority;

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world;

**"Tax Deduction"** means any deduction or withholding on account of Tax;

**"Taxes", "taxation", "taxable"** and comparable expressions shall be construed accordingly;

**"Temporary Global Note"** means in respect of the EN Notes, the bearer temporary global note in or substantially in the form set out in Schedule 3 (*Form of EN Temporary Global Note*) and in respect of the CD Notes, the bearer temporary global note in or substantially in the form set out in Schedule 5 (*Form of CD Temporary Global Note*) to the Trust Deed;

**"Transaction Documents"** means:

- (a) the Account Bank Agreement;
- (b) the Ancillary Fee Letter (as defined in the the Master Definitions and Framework Agreement);

- (c) the Facility Fee Letter;
- (d) the Deed of Assignment and Pledge (as defined in the Master Definitions and Framework Agreement);
- (e) each Deed of Repurchase and Re-assignment (as defined in the Master Definitions and Framework Agreement);
- (f) the Issuer Administration Agreement;
- (g) the Issuer Rights Pledge Agreement;
- (h) the Liquidity Facility Agreement;
- (i) the Management Agreements;
- (j) the Master Definitions and Framework Agreement;
- (k) the Paying Agency Agreement;
- (l) the Receivables Pledge Agreement;
- (m) the Receivables Purchase Agreement;
- (n) the Servicing Agreement;
- (o) the Subscription Agreement;
- (p) the Swap Agreement; and
- (q) the Trust Deed,

and "**Transaction Document**" shall mean any one of them; and

"**United States**" means the United States of America (including the States and the District of Columbia); and its possessions include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

## 2. **FORM, DENOMINATION, TITLE AND ELIGIBLE HOLDERS**

### 2.1 **Denominations of Notes**

Each Class of Notes will be issued in minimum denominations of €50,000.

### 2.2 **Form of Temporary Global Notes**

Each Class of Notes will be issued in bearer form and will initially be represented by a Temporary Global Note, without coupons or talons attached, in the aggregate principal amount on issue of:

- (i) €9,912,000,000 for the Class A Notes;
- (ii) €53,000,000 for the Class B Notes;
- (iii) €262,000,000 for the Class C Notes;



- (iv) €168,000,000 for the Class D Notes;
- (v) €105,000,000 for the Class E Notes; and
- (vi) €263,000,000 for the Class F Notes.

## 2.3 EN Notes

### 2.3.1 Deposit of EN Temporary Global Note

- (a) The Class A Notes (the "**EN Notes**") in book-entry form and initially represented by a temporary global note in bearer form (the "**EN Temporary Global Note**"), without coupons or talons, will be deposited with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**") on or about the Closing Date.
- (b) Upon the deposit of the EN Temporary Global Note with Euroclear Netherlands, Euroclear Netherlands will credit the accounts of the admitted institutions (*aangesloten instellingen*), which will credit the account of each purchaser of the Notes (represented by the EN Temporary Global Note) with the principal amount of the Notes equal to the principal amount for which such Notes have been purchased.

### 2.3.2 Exchange for EN Permanent Global Note

- (a) Such EN Temporary Global Note will be exchangeable on and after the Exchange Date, upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands for interests in a permanent global note in bearer form without coupons or talons (the "**EN Permanent Global Note**", and together with the EN Temporary Global Note, the "**EN Global Notes**") for the Class A Notes, which will also be deposited with Euroclear Netherlands.
- (b) Upon the exchange of the EN Temporary Global Note for the EN Permanent Global Note, the EN Permanent Global Note will remain deposited with Euroclear Netherlands.

### 2.3.3 No exchange (*omwisseling*) for definitive notes and no withdrawal (*utitlevering*) of EN Permanent Global Note

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

### 2.3.4 Title to the EN Notes

Title to the EN Notes will pass by delivery (*levering*). Deliveries will take place in accordance with the Wge and the rules and procedures for the time being for Euroclear Netherlands. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Security Trustee and the relevant Paying Agents may (a) for the purpose of payment of principal

and interest on the EN Notes, treat the holder of an EN Global Note as the absolute owner of such EN Global Note, and (b) for all other purposes treat any person who is for the time being shown as the holder of a particular nominal amount of EN Notes in the records of Euroclear Netherlands or an admitted institution (*aangesloten instelling*) within the meaning of the Wge (in which regard any certificate or other document issued by Euroclear Netherlands or such admitted institution (*aangesloten instelling*) shall be conclusive and binding except in the case of manifest error) as the absolute owner of such nominal amount of EN Notes and none of the Issuer, the Security Trustee or such Paying Agents shall be liable for so treating such holder.

#### 2.3.5 **Legends on EN Global Notes**

The following legend will appear on all EN Global Notes held in Euroclear Netherlands:

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

### 2.4 **CD Notes**

#### 2.4.1 **Deposit of CD Temporary Global Notes**

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (the "**CD Notes**") will initially be represented by a temporary global note in bearer form (a "**CD Temporary Global Note**"), without coupons or talons, deposited with Deutsche Bank AG, London Branch as common depositary (the "**CD Common Depositary**"), for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**"), on or about the Closing Date.

#### 2.4.2 **Exchange for CD Permanent Global Notes**

Each such CD Temporary Global Note will be exchangeable on the Exchange Date not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a permanent global note in bearer form without coupons or talons (a "**CD Permanent Global Note**"), and together with each CD Temporary Global Note, the "**CD Global Notes**" and the CD Global Notes together with the EN Global Notes, the "**Global Notes**") for the relevant Class of CD Notes. On the exchange of a CD Temporary Global Note for a CD Permanent Global Note of the relevant class, the CD Permanent Global Note will remain deposited with the CD Common

Depository. The Permanent CD Global Note will be exchangeable for Definitive Notes (as defined below) only in the limited circumstances described below.

#### 2.4.3 **Transfer of CD Notes**

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

#### 2.4.4 **Issue of Definitive Notes**

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

- (i) Class B Notes in definitive form (the "**Class B Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class B Notes;
- (ii) Class C Notes in definitive form (the "**Class C Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class C Notes;
- (iii) Class D Notes in definitive form (the "**Class D Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class D Notes;
- (iv) Class E Notes in definitive form (the "**Class E Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class E Notes; and
- (v) Class F Notes in definitive form (the "**Class F Definitive Notes**" and together with the Class B Definitive Notes, the Class C Definitive Notes, the Class D Definitive Notes and the Class E Definitive Notes, the "**Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class F Notes.

#### 2.5 **Title to the CD Notes**

- (a) Definitive Notes, if issued, will be in the denomination of €50,000 each, serially numbered and in bearer form with (at the date of issue) interest coupons ("**Coupons**"). Title to the Definitive Notes and Coupons will pass by delivery.
- (b) The holder of any Definitive Note or Coupon may, to the fullest extent permitted by applicable law, be treated at all times, by all persons and for all purposes, including the making of any payments in respect of the Notes, as the absolute owner of that Definitive Note or Coupon regardless of any notice of ownership, destruction, theft or loss or of any trust or other interest in it or any writing on it. The holder of any Coupon (whether or not such Coupon is attached to the relevant Note) in his capacity as such shall be subject to and bound by all the provisions contained in the Note.

## 2.6 **General**

- (a) Title to the Global Notes will pass by delivery. The holder of any Global Note may (except as ordered by a court of a competent jurisdiction or otherwise required by law) be treated at all times by the Issuer, the Security Trustee and each Paying Agent as the absolute owner of the Global Note for the purposes of making payments thereon and none of the Issuer, the Security Trustee and each Paying Agent shall be liable for so treating such holder.
- (b) Any reference to the Notes shall include the Global Notes and where applicable, the Definitive Notes.
- (c) For the purpose of these Conditions "**Noteholder**" and holder of a Note means (i) in relation to any Notes represented by a Global Note, each person (other than Euroclear Netherlands, Clearstream Luxembourg or Euroclear) who is for the time being shown in the records of, in respect of CD Notes, Clearstream Luxembourg or Euroclear, and, in respect of EN Notes, Euroclear Netherlands or an admitted institution (*aangesloten instelling*) within the meaning of the Wge, as the holder of a particular Principal Amount Outstanding, for which purpose any certificate or other document issued by Clearstream Luxembourg, Euroclear or Euroclear Netherlands or an admitted institution within the meaning of the Wge, as to the Principal Amount Outstanding of the Notes standing to the account of any person will be conclusive and binding on the basis that that person shall be treated by the Issuer, the Security Trustee and all other persons as the holder of that Principal Amount Outstanding of those Notes for all purposes other than for the purpose of payments in respect of those Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note, who shall be regarded as the Noteholder for that purpose; and (ii) in relation to any Definitive Notes issued under this Condition 2 (*Form, Denomination, Title and Eligible Holders*) of these Conditions, the bearers of those Definitive Notes; and related expressions shall be construed accordingly.
- (d) All Notes will bear the following legends:  
  

"This Note has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to any U.S. person, except in an offshore transaction and in accordance with Regulation S under the Securities Act, unless an exemption from the registration

requirements of the Securities Act is available. Terms used above have the meanings given to them by Regulation S.

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

- (e) Coupons will bear the following legend:

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

- (f) Where in these Conditions a reference is made to Note, this shall, unless the context otherwise requires, include a reference to a Coupon if and to the extent that Definitive Notes have been issued in accordance with these Conditions.

### 3. STATUS, PRIORITY AND SECURITY

#### 3.1 Status and relationship between the Notes

- (a) The Notes of a particular Class are direct and unconditional obligations of the Issuer and rank *pari passu* without any preference or priority amongst themselves.
- (b) Each Class of Notes ranks in accordance with the Priority of Payments set out in this Condition 3 (*Status, Priority and Security*). Certain other obligations of the Issuer rank in priority to the Notes in accordance with the Priority of Payments.
- (c) The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other parties to the Transaction Documents.

#### 3.2 Security

- (a) The holders of the Notes and the other Secured Parties will, indirectly through the Parallel Debt, have the benefit of a pledge agreement entered into on or before the Closing Date between the Issuer and the Security Trustee pursuant to which the Issuer grants to the Security Trustee, on the terms set out therein, an undisclosed first ranking right of pledge over the Receivables (the "**Receivables Pledge Agreement**", and together with the Issuer Rights Pledge Agreement and any other pledge or security agreement entered into by the Issuer from time to time pursuant to the relevant Transaction Documents, the "**Pledge Agreements**").
- (b) The holders of the Notes and the other Secured Parties will, indirectly through the Parallel Debt, also have the benefit of a pledge agreement entered into on or before the Closing Date between, amongst others, the Issuer and the Security Trustee (the "**Issuer**

**Rights Pledge Agreement**") pursuant to which the Issuer grants to the Security Trustee, on the terms set out therein, a disclosed first ranking right of pledge over its rights under or in connection with:

- (i) the Accounts and the Liquidity Facility Stand-by Drawing Account;
  - (ii) the Account Bank Agreement;
  - (iii) the Issuer Administration Agreement;
  - (iv) the Issuer Management Agreement;
  - (v) the Liquidity Facility Agreement;
  - (vi) the Paying Agency Agreement;
  - (vii) the Receivables Purchase Agreement;
  - (viii) the Servicing Agreement; and
  - (ix) the Swap Agreement.
- (c) The security rights created under and pursuant to the Pledge Agreements shall be the **"Security"**.

### 3.3 **Interest Payments before delivery of Enforcement Notice**

Before the delivery of an Enforcement Notice by the Security Trustee, if on any Quarterly Payment Date the Issuer has any Interest Available Funds, the Issuer Administrator shall instruct the Account Bank to make payments from the Interest Available Funds standing to the credit of the Transaction Account in accordance with order of priority set out in the Interest Priority of Payments, in each case only if and to the extent that payments or provisions of a higher order or priority have been made in full.

### 3.4 **Principal payments before delivery of Enforcement Notice**

Before the delivery of an Enforcement Notice by the Security Trustee, if on any Quarterly Payment Date the Issuer has any Notes Redemption Available Funds, the Issuer Administrator shall instruct the Account Bank to make payments from the Notes Redemption Available Funds standing to the credit of the Transaction Account on such Quarterly Payment Date in accordance with the order of priority (the **"Principal Priority of Payments"**) set out in Condition 7.2 (*Mandatory redemption in part*) in each case only if and to the extent that payments or provisions of a higher or priority have been made in full.

### 3.5 **Payments after delivery of Enforcement Notice**

If an Enforcement Notice is delivered to the Issuer by the Security Trustee all monies held in the Accounts and the Liquidity Facility Stand-by Drawing Account and all monies received or recovered by the Issuer and/or the Security Trustee (or the Issuer Administrator on its behalf) will be applied in accordance with the order of priority set

out in the Enforcement Priority of Payments, in each case only if and to the extent that payments or provisions of a higher order or priority have been made in full.

#### 4. COVENANTS OF THE ISSUER

For as long as any Notes are outstanding, the Issuer covenants and agrees with the Security Trustee that it shall undertake its business in accordance with proper and prudent Netherlands business practice, Netherlands accounting practice and Netherlands law and, except with the prior written consent of the Security Trustee or unless permitted by the Transaction Documents, it shall not:

- (a) create, incur or suffer to exist any indebtedness or give any guarantee or indemnity in respect of any indebtedness;
- (b) form, or cause to be formed, any subsidiaries or affiliates;
- (c) redeem any of its shares;
- (d) create, incur or permit to exist, or agree to create, incur or permit to exist, or consent to cause or permit in the future (upon happening of a contingency or otherwise) the creation, incurrence or existence of any mortgage, charge, pledge, lien or other security interest on or over any of its assets;
- (e) issue any shares or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares other than those issued to the Shareholder upon its incorporation;
- (f) take any action, or fail to take any action, if such action or failure to take action may interfere with: (i) the enforcement of any rights under the Transaction Documents with respect to the rights, benefits or obligations of the Security Trustee or (ii) the validity, effectiveness or enforcement of any rights with respect to the Transaction Documents;
- (g) waive or alter any rights it may have with respect to the Transaction Documents;
- (h) fail to pay any tax which it is required to pay, or fail to defend any action, if such failure to pay or defend may adversely affect the priority or enforceability of the security created by or pursuant to the Pledge Agreements;
- (i) consolidate or merge with or into any person, effect a demerger, or transfer any of its assets substantially or entirely to any person or liquidate or dissolve or otherwise terminate its existence;
- (j) take or (if within its control) permit to be taken any action which would have the effect directly or indirectly of causing any amount to be deducted or withheld from: (i) interest payments on any of the Notes or (ii) any other payment in relation to the Transaction Documents to which it is a party, for or on account of tax;
- (k) transfer, exchange or otherwise dispose of any of its assets;
- (l) engage in any business or activity other than in connection with the transactions contemplated by the Transaction Documents;

- (m) have any employees or premises;
- (n) have an interest in any bank account other than the Accounts, the Liquidity Facility Account, the Liquidity Facility Stand-by Drawing Account and any account to which Trigger Collateral or collateral pursuant to the Swap Agreement is transferred; and
- (o) fail to maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the EU Council Directive 2003/48/EC.

## 5. **INTEREST**

### 5.1 **Period of accrual**

- (a) Interest on the Notes is payable only outside the United States and its possessions, within the meaning of United States Treasury regulation 1.163-5(c)(1)(ii)(A). No demand (other than a lawsuit in accordance with United States Treasury regulation section 1.163-5(c)(2)(v)) for payment of interest on the Notes may be made within the United States. No interest on the Notes shall be paid into an account maintained by the payee in the United States or mailed to an address in the United States unless the payee is described in United States Treasury Regulation sections 1.163-5(c)(2)(v)(B)(1) or (2).
- (b) Each Note shall bear interest on its Principal Amount Outstanding from (and including) the Closing Date.
- (c) Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue on such Note (before and after any judgement) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the 7th day after notice is duly given by the relevant Paying Agents to the holder of such Note (in accordance with Condition 15 (*Notices*)) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made.
- (d) Interest in respect of any Quarterly Interest Period (or any other period) shall be calculated on the basis of the actual number of days elapsed in the Quarterly Interest Period (or such other period) and a year of 360 days.

### 5.2 **Quarterly Interest Periods and Quarterly Payment Dates**

- (a) Interest on each Note is payable by reference to successive Quarterly Interest Periods.
- (b) Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next following Quarterly Payment Date (each a "**Quarterly Interest Period**") except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in April 2009.
- (c) Interest on each of the Notes shall be payable quarterly in arrears in euro, in each case in respect of its Principal Amount Outstanding on the 10th day of January, April, July and



October in each year (or, if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the following calendar month in which case the day that is a Business Day immediately before such 10<sup>th</sup> day) (each such day being a "Quarterly Payment Date").

**5.3 Rate of interest**

The rate of interest payable from time to time in respect of the Notes shall be determined by the Reference Agent in accordance with this Condition 5 (*Interest*) and each interest rate so determined shall be the "Rate of Interest".

**5.4 Interest on the Notes up to the First Optional Redemption Date**

Interest in respect of each Class of Notes for each Quarterly Interest Period up to (and including) the First Optional Redemption Date will accrue at an annual rate equal to the sum of:

- (a) the Euro Reference Rate; *plus*
- (b) a margin:
  - (i) for the Class A Notes, equal to 0.00 per cent. per annum;
  - (ii) for the Class B Notes, equal to 6.00 per cent. per annum;
  - (iii) for the Class C Notes, equal to 7.50 per cent. per annum;
  - (iv) for the Class D Notes, equal to 12.00 per cent. per annum;
  - (v) for the Class E Notes, equal to 16.50 per cent. per annum; and
  - (vi) for the Class F Notes, equal to 0.00 per cent. per annum.

**5.5 Interest on the Notes following the First Optional Redemption Date**

- (a) Subject to this Condition 5 (*Interest*), if on the First Optional Redemption Date, the Notes of any Class (other than the Class F Notes) have not been redeemed in full, interest on the Notes except for the Class A Notes and the Class F Notes, payable by reference to each Quarterly Interest Period, will from (but excluding) the First Optional Redemption Date, accrue at an annual rate equal to the sum of:

- (a) the Euro Reference Rate; *plus*
- (b) a margin:
  - (i) for the Class B Notes, equal to 12.00 per cent. per annum;
  - (ii) for the Class C Notes, equal to 15.00 per cent. per annum;
  - (iii) for the Class D Notes, equal to 24.00 per cent. per annum; and
  - (iv) for the Class E Notes, equal to 33.00 per cent. per annum.

- (b) In the circumstances described in paragraph (a) of this Condition 5.5 (*Interest on the Notes following the First Optional Redemption Date*) the rate of interest in respect of the Class A Notes and the Class F Notes will be as set out in Condition 5.4 (*Interest on the Notes up to the First Optional Redemption Date*).

#### 5.6 **Determination of the Euro Reference Rate**

The Reference Agent shall calculate the Euro Reference Rate for each Quarterly Interest Period and the "**Euro Reference Rate**" shall mean EURIBOR as determined in accordance with the following:

- (a) "**EURIBOR**" shall mean for any Quarterly Interest Period the rate per annum equal to the Euro Interbank Offered Rate for three (3) month euro deposits (except in the case of the first Interest Period in which case it shall be the rate equal to the linear interpolation between the Euro Interbank Offered Rate for three (3) month euro deposits and four (4) month euro deposits) as determined by the Reference Agent in accordance with Condition 5.2(a) (*Quarterly Interest Periods and Quarterly Payment Dates*).
- (b) The Reference Agent shall determine EURIBOR, on the relevant, Interest Determination Date by using the EURIBOR rate determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on Reuters pages 248-249 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the EURIBOR rate) and which shall be selected by the Reference Agent as at or about 11.00 am (CET).
- (c) If, on the relevant Interest Determination Date, the EURIBOR rate in paragraph (b) above, is not determined and published jointly by the European Banking Association and ACI – The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under paragraph (a) above, the Reference Agent will:
- (i) request the principal euro-zone office of each of four (4) major banks in the euro-zone interbank market (each a "**Euro Reference Bank**" and together the "**Euro Reference Banks**") to provide a quotation for the rate at which three (3) month euro deposits (except in the case of the first Quarterly Interest Period in which case it shall be the rate equal to the linear interpolation between three (3) month euro deposits and four (4) month euro deposits) offered by it in the euro-zone interbank market at approximately 11.00 am (CET) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time;
- (ii) if at least two (2) quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth (5th) decimal place with 0.000005 being rounded upwards) of such quotations as provided; and

- (iii) if fewer than two (2) such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth (5th) decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two (2) in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 am (CET) on the relevant Interest Determination Date for three (3) month euro deposits (except in the case of the first Quarterly Interest Period in which case it shall be the rate equal to the linear interpolation between three (3) month euro deposits and four (4) month euro deposits) to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time.
- (d) If the Reference Agent is unable to determine EURIBOR in accordance with this Condition 5.6 (*Determination of the Euro Reference Rate*) in relation to any Quarterly Interest Period, EURIBOR applicable to the respective Notes during such Quarterly Interest Period will be EURIBOR last determined in relation thereto.

#### **5.7 Determination of the Rate of Interest and calculation of Interest Amounts**

The Reference Agent will, as soon as practicable after 11.00 am (CET) on each Interest Determination Date, determine the Rate of Interest referred to in Condition 5.1 (*Period of accrual*) for each Class of Notes and calculate the amount of interest payable on each of the Notes for the relevant Quarterly Interest Period (the "**Interest Amount**") by applying the relevant Rate of Interest to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Rate of Interest and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

#### **5.8 Notification of Rate of Interest and Interest Amounts**

The Reference Agent will cause the relevant Rate of Interest and the relevant Interest Amount applicable to each Class of Notes for the relevant Quarterly Interest Period and the Quarterly Payment Date on which that Quarterly Interest Period will end, to be notified to the Issuer, the Security Trustee, each of the Paying Agents, the Account Bank and the Issuer Administrator and will cause notice thereof to be given in accordance with Condition 15 (*Notices*), as soon as possible after the determination thereof. The Rate of Interest, Interest Amount, Quarterly Interest Period and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Quarterly Interest Period.

#### **5.9 Determination or calculation by the Security Trustee**

If the Reference Agent at any time for any reason does not determine the relevant Rate of Interest or fails to calculate the relevant Interest Amounts in accordance with this Condition 5 (*Interest*), the Security Trustee shall determine the relevant Rate of Interest, at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Condition 5 (*Interest*)), it shall deem fair and reasonable

under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amounts in accordance with this Condition 5 (*Interest*), and each such determination or calculation shall be final and binding on all parties.

#### **5.10 Euro Reference Banks and Reference Agent**

The Issuer will procure that, as long as any one of Notes remains outstanding, there will at all times be four (4) Euro Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Euro Reference Bank by giving at least thirty (30) days notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 15 (*Notices*). If any person shall be unable or unwilling to continue to act as a Euro Reference Bank, or the Reference Agent (as the case may be), or if the appointment of any Euro Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Euro Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

### **6. PAYMENT**

#### **6.1 Payments in respect of Global Notes**

- (a) Payments in respect of interest on the EN Temporary Global Note and the CD Temporary Global Notes will only be made upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands unless such certification has already been made. On or after the Exchange Date, no payment will be made on any Temporary Global Note unless exchange for an interest in the corresponding Permanent Global Note has been improperly withheld or refused.
- (b) Payments of principal and interest in respect of the Notes represented by a Global Note, (i) in respect of the EN Global Notes will be made in euro to Euroclear Netherlands for credit of the respective accounts of the holders of the EN Notes and (ii) in respect of the CD Global Notes will be made in euro to Euroclear and Clearstream Luxembourg, as the case may be, for credit of the respective accounts of the holders of the CD Notes, and will be made in euros against presentation thereof at the Specified Office of the Paying Agent in cash or to a euro account of the payee with a bank in The Netherlands, as the holder may specify, and (in the case of any payment which will result in all amounts of principal and interest having been paid on the relevant Global Note) surrender of such Global Note to the order of the Paying Agent. A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Note by the Issuer (or by the Paying Agent on its behalf). Such endorsement shall be prima facie evidence that such payment has been made in respect of the Global Notes.

#### **6.2 Definitive Notes**

- (a) Payment of principal in respect of Definitive Notes will be made upon presentation and surrender of such Definitive Note at the Specified Office of the Paying Agents. Payments

of interest in respect of the Definitive Notes will (subject as provided in this Condition 6.3 (*Definitive Notes*)) be made only against presentation and surrender of the relevant Coupons at the Specified Office of the Paying Agents. Such payment will be made in euros in cash or by transfer to a euro account maintained by the payee with a bank in the Euro zone, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment. All payments of interest shall be made outside the United States.

- (b) On the date upon which any Definitive Note becomes due and payable in full, unmatured Coupons (if any) of that class appertaining thereto (whether or not attached to such Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Definitive Note of a particular class is not a Quarterly Payment Date, accrued interest will be paid only against presentation and surrender of such Definitive Note.

- 6.3 At the Final Maturity Date, or such earlier date the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 9 (*Prescription*)).

#### 6.4 **Payments subject to Priority of Payments, Trust Deed and all fiscal laws**

All payments of interest and principal in respect of the Notes are subject to the Priority of Payments, the Trust Deed and any fiscal or other laws and regulations applicable in the place of payment.

#### 6.5 **Payments on Business Days**

If any Note is presented for payment on a day that is not a business day in the place of presentation, the holder shall not be entitled to payment in such place until the next following business day in such place. In such circumstances, no further payments or additional amounts by way of interest, principal or otherwise shall be due in respect of such Note, provided that in the case of payment by wire transfer to an account as referred to above, the Paying Agents shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in The Netherlands and the United Kingdom.

#### 6.6 **Paying Agents**

- (a) The Paying Agents and their initial Specified Offices are listed at the end of these Conditions.

- (b) The Issuer reserves the right at any time to vary or terminate the appointment of each Paying Agent and to appoint additional or other paying agents provided that:
  - (i) a paying agent located or acting in the United States of America and its possessions will not be appointed;
  - (ii) the Issuer will at all times maintain a paying agent that has a specified office in a European city which, for as long as the Listed Notes are listed on Euronext Amsterdam shall be located in The Netherlands;
  - (iii) the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC; and
  - (iv) no paying agent will make payments from within the United States or its possessions.
- (c) Notice of any termination of appointment or appointment of each Paying Agent and of any changes to any Specified Office of a Paying Agent will be given to the Noteholders in accordance with Condition 15 (*Notices*).

## 7. **REDEMPTION, PURCHASE AND CANCELLATION**

### 7.1 **Final redemption**

Unless previously redeemed or cancelled, subject always to Condition 10 (*Subordination*), the Issuer shall redeem the Notes on the Final Maturity Date.

### 7.2 **Mandatory redemption in part**

Subject to:

- (a) the Issuer having sufficient Notes Redemption Available Funds on a Quarterly Payment Date;
- (b) the Security Trustee not having delivered an Enforcement Notice in accordance with Condition 12 (*Events of Default*); and
- (c) the provisions of Condition 10 (*Subordination*),

the Issuer will apply Notes Redemption Available Funds (in whole or in part):

- (A) *first*, in redeeming, pro rata, the Class A Notes until there are no Class A Notes outstanding;
- (B) *second*, in redeeming, pro rata, the Class B Notes until there are no Class B Notes outstanding;
- (C) *third*, in redeeming, pro rata, the Class C Notes until there are no Class C Notes outstanding;
- (D) *fourth*, in redeeming, pro rata, the Class D Notes until there are no Class D Notes outstanding;

- (E) *fifth*, in redeeming, pro rata, the Class E Notes until there are no Class E Notes outstanding; and
- (F) *sixth*, in or towards payment of a Deferred Purchase Price Instalment.

### 7.3 **Redemption of Class F Notes from Interest Available Funds only**

Notes Redemption Available Funds shall not be used to redeem the Class F Notes because principal amounts due and payable under the Class F Notes shall be paid from the Interest Available Funds, subject to and in accordance with the Interest Priority of Payments.

### 7.4 **Note Principal Redemption Amount**

- (a) The principal amount so redeemable in respect of each Class of Notes (the "**Note Principal Redemption Amount**") shall be:
  - (i) the amount of Notes Redemption Available Funds on the Notes Calculation Date for that Quarterly Payment Date that can be applied in redemption of the Notes of that Class; and
  - (ii) for the Class F Notes only, the amount of Interest Available Funds (after payment of all items with a higher priority of payment in the Interest Priority of Payments) on the Notes Calculation Date for that Quarterly Payment Date, that can be applied in redemption of the Class F Notes.
- (b) Each Note shall be redeemed in an amount equal to:
  - (i) the Note Principal Redemption Amount for that Class; divided by
  - (ii) the number of Notes of that Class,
 rounded down to the nearest euro.
- (c) Following application of the Note Principal Redemption Amount to redeem a Note under this Condition 7 (*Redemption, Purchase and Cancellation*), the Principal Amount Outstanding of such Note shall be reduced accordingly.
- (d) Any excess Notes Redemption Available Funds available as a result of rounding following the application of the applicable Note Principal Redemption Amount to redeem a Note under Condition 7.2 (*Mandatory redemption in part*) shall remain in the Transaction Account and be aggregated with the Notes Redemption Available Funds in respect of the next Quarterly Payment Date.

### 7.5 **Note redemption determinations**

- (a) On each Notes Calculation Date, the Issuer Administrator shall determine:
  - (i) the Notes Redemption Available Funds;

- (ii) the Interest Available Funds available for the redemption of the Class F Notes (after payment of all items with a higher priority of payment in the Interest Priority of Payments) in accordance with the relevant Priority of Payments;
  - (iii) the Note Principal Redemption Amount for each Class of Notes; and
  - (iv) the Principal Amount Outstanding of each Class of Notes,
- and each such determination by or on behalf of the Issuer shall in each case (in the absence of manifest error) be final and binding on all persons.
- (b) Two (2) Business Days prior to the relevant Quarterly Payment Date, the Issuer Administrator shall notify the determination of:
- (i) the Notes Redemption Available Funds for each Class of Notes;
  - (ii) the Interest Available Funds available for the redemption of the Class F Notes (after payment of all items with a higher priority of payment in the Interest Priority of Payments) in accordance with the relevant Priority of Payments;
  - (iii) the Note Principal Redemption Amount; and
  - (iv) the Principal Amount Outstanding of each Class of Notes,
- to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear Netherlands, Euroclear and/or Clearstream Luxembourg and, for as long as the Listed Notes are listed on Euronext Amsterdam, to Euronext Amsterdam N.V., and the Noteholders, by an advertisement in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam N.V.
- (c) If there is no Note Principal Redemption Amount to be applied to the Notes on any applicable Quarterly Payment Date, a notice to this effect will be given by the Issuer Administrator on behalf of the Issuer to the Noteholders in accordance with Condition 15 (*Notices*).
- (d) If the Issuer Administrator does not at any time for any reason determine:
- (i) the Notes Redemption Available Funds for each Class of Notes;
  - (ii) the Interest Available Funds available for the redemption of the Class F Notes;
  - (iii) the Note Principal Redemption Amount; and
  - (iv) the Principal Amount Outstanding of each Class of Notes,
- such amounts shall be determined by the Security Trustee in accordance with this Condition 7 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of manifest error) be final and binding on all persons.

## 7.6 **Redemption of the Notes following the exercise of the Seller Clean-Up Option**



- (a) The Receivables Purchase Agreement provides that the Seller has the right (but not the obligation) to purchase all Receivables on any Quarterly Payment Date (the "**Seller Clean-Up Option**") if:
  - (i) on such date the aggregate principal amount outstanding of all Portfolio Loans does not exceed 10 per cent. of the aggregate principal amount outstanding of all Portfolio Loans on the Closing Date; and
  - (ii) it has notified the Issuer and the Security Trustee on a date that is at least one (1) calendar month before the Quarterly Payment Date on which it intends to exercise the Seller Clean-Up Option.
- (b) If the Seller exercises the Seller Clean-Up Option as described under paragraph (a) of this Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), the Issuer shall on the relevant Quarterly Payment Date redeem all (but not some only) the Notes except for the Class F Notes, in accordance with paragraphs (c) and (d) of Condition 7.8 (*Optional Redemption by the Issuer*).

#### 7.7 **Redemption of the Notes following the exercise of the Regulatory Call Option**

- (a) The Receivables Purchase Agreement provides that the Seller has the right (but not the obligation) to purchase all the Receivables on any Quarterly Payment Date (the "**Regulatory Call Option**") if there is a change in:
  - (i) the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the "**Basel Accord**");
  - (ii) the international, European or Netherlands law, regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (the "**DCB**"));
  - (iii) the regulations, rules and instructions on eligible collateral of the European Central Bank and/or the DCB (together, the "**Bank Regulations**") applicable to Rabobank and/or its members, subsidiaries and affiliates (Rabobank together with such members, subsidiaries and affiliates, the "**Rabobank Group**") (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord); or
  - (iv) in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international or European central bank, the DCB or any other competent regulatory or supervisory authority),

which change the Seller could reasonably not have foreseen on the date of execution of the Receivable Purchase Agreement and which change, in the opinion of the Seller has the effect of adversely affecting the rate of return on capital of Rabobank Group or increasing the cost or reducing the benefit to Rabobank Group or has a result that the Notes no longer qualify as eligible collateral under the regulations concerning eligible collateral of the European Central Bank and/or the DCB (each such change, a

**"Regulatory Change")** *provided that* the Seller has notified the Issuer and the Security Trustee on a date that is at least one (1) calendar month before the Quarterly Payment Date on which it intends to exercise the Regulatory Call Option.

- (b) If the Seller exercises the Regulatory Call Option as described in paragraph (a) of this Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*), the Issuer shall on the relevant Quarterly Payment Date redeem all (but not some only) the Notes except for the Class F Notes, in accordance with paragraphs (c) and (d) of Condition 7.8 (*Optional Redemption by the Issuer*).

#### 7.8 **Optional redemption by the Issuer**

- (a) The Issuer has the right (but not the obligation) (the **"Issuer Call Option"**) to redeem all (but not some only of) the Notes except for the Class F Notes, on the First Optional Redemption Date and on any Quarterly Payment Date thereafter (each an **"Optional Redemption Date"**).
- (b) The Issuer Call Option may only be exercised if (i) the Issuer has given at least thirty (30) and not more than forty (40) days' written notice to the Security Trustee and the Noteholders in accordance with Condition 15 (*Notices*) (such notice, an **"Option Notice"**) and (ii) in the event that the Receivables (including any Defaulted Receivables) are sold by the Issuer to a third party (other than the Seller) pursuant to the Trust Deed in connection with such Issuer Call Option, the aggregate purchase price for such Receivables is at least the Minimum Third Party Purchase Price. If the Issuer cannot sell the Receivables for at least the Minimum Third Party Purchase Price to a third party (other than the Seller), such Option Notice is deemed revoked and the Issuer shall not be entitled to exercise the Issuer Call Option on the relevant Optional Redemption Date. The Issuer has the right to exercise the Issuer Call Option at any time after the revocation of any Option Notice, subject to and in accordance with this Condition 7.8 (*Optional Redemption by the Issuer*). Upon the revocation of an Option Notice, the Issuer shall forthwith give notice thereof to the Security Trustee and the Noteholders in accordance with Condition 15 (*Notices*).
- (c) In the event that on such Optional Redemption Date there is a Principal Shortfall or Estimated Shortfall in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, the Issuer may, at its option, in accordance with this Condition 7.8 (*Optional Redemption by the Issuer*) and Condition 10 (*Subordination*), partially redeem all (but not some only) of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes respectively at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall and the relevant Estimated Shortfall. After such redemption the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes will be equal to the relevant Estimated Shortfall and subject to further redemption in accordance with this Condition 7.8 (*Optional redemption by the Issuer*). Any Estimated Shortfall in respect of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, respectively, remains outstanding but shall not accrue interest.

- (d) On the four Quarterly Payment Dates following the date on which the Issuer has exercised the option as set out in this Condition, the Issuer shall be obliged to apply the Notes Redemption Available Funds, if any, in respect of such Quarterly Payment Date to redeem (or partially redeem) the Notes of each Class, except for Class F Notes, at their respective Principal Amount Outstanding on a sequential basis in the following order:
- (A) *first*, in redeeming, pro rata, the Class A Notes until there are no Class A Notes outstanding;
  - (B) *second*, in redeeming, pro rata, the Class B Notes until there are no Class B Notes outstanding;
  - (C) *third*, in redeeming, pro rata, the Class C Notes until there are no Class C Notes outstanding;
  - (D) *fourth*, in redeeming, pro rata, the Class D Notes until there are no Class D Notes outstanding; and
  - (E) *fifth*, in redeeming, pro rata, the Class E Notes until there are no Class E Notes outstanding.
- (e) Paragraphs (c) and (d) of this Condition 7.8 (*Optional Redemption by the Issuer*) shall apply *mutatis mutandis* in respect of a redemption of the Notes (other than the Class F Notes) following the exercise of the Seller Clean-Up Option or the Regulatory Call Option, in which case the provisions shall be triggered by the Seller exercising the Seller Clean-Up Option or the Regulatory Call Option (as the case may be) and a reference to the Optional Redemption Date shall be deemed to be a reference to the Quarterly Payment Date on which the Seller exercises such option.

#### 7.9 **Optional redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer (but the Issuer shall have no obligation to do so) in whole (but not in part) on any Quarterly Payment Date, provided that the Issuer gives not more than sixty (60) nor less than thirty (30) days' written notice to the Noteholders and the Security Trustee, at their Principal Amount Outstanding together with interest accrued up to and including the date of redemption, if, immediately prior to giving such notice, the Issuer has:

- (a) satisfied the Security Trustee that on the next proposed date of redemption, the Issuer:
  - (i) is or will be obliged to make any Tax Deduction from payments in respect of any Class of Notes; or
  - (ii) has become or would become subject to any limitation of the deductibility of interest in respect of any Class of Notes,

as a result of any change in, or amendment to, the application of the laws or regulations of The Netherlands or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations

(including a ruling by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation or limitation (as applicable) cannot be avoided by the Issuer taking reasonable measures available to it; and

- (b) delivered to the Security Trustee before the giving of the notice referred to in this Condition 7.9 (*Optional redemption for tax reasons*), a certificate signed by the managing director of the Issuer to the effect that it will have the necessary funds, not subject to the interest of any other person, available for the purpose and to discharge any amounts required under the Interest Priority of Payments and Principal Priority of Payments to be paid in priority to, or *pari passu* with, the Notes.

#### **7.10 No purchase by the Issuer**

The Issuer shall not purchase any of the Notes.

#### **7.11 Cancellation**

All Notes redeemed under this Condition 7 (*Redemption, Purchase and Cancellation*) or otherwise surrendered under Condition 18 (*Replacement of Notes*) will be cancelled upon redemption or surrender and may not be resold or re-issued.

### **8. TAXATION**

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

### **9. PRESCRIPTION**

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

### **10. SUBORDINATION**

#### **10.1 Subordination of the payment of interest**

- (a) Interest on the Notes shall be payable in accordance with the provisions of Condition 5 (*Interest*) and Condition 6 (*Payment*), subject to the terms of these Conditions and the terms of the Trust Deed.
- (b) If on any Quarterly Payment Date, the Issuer has insufficient Interest Available Funds to pay all amounts then due and payable, it shall be under no obligation to pay any interest

or damages or other form of compensation to Noteholders in respect of any amounts of interest that remains unpaid as a result of there being insufficient Interest Available Funds on any Quarterly Payment Date.

- (c) If on any Quarterly Payment Date, the Issuer has insufficient Interest Available Funds to pay all amounts then due and payable, the Interest Available Funds that are available on such date shall be applied in accordance with the applicable Priority of Payments and only if and to the extent that payments or provisions of a higher order or priority have been made in full.

#### **10.2 Subordination of the payment of principal – the Class B Notes**

- (a) Until all the Class A Notes have been redeemed in full, principal amounts shall not be due and payable under the Class B Notes.
- (b) On or after the date on which all the Class A Notes have been redeemed in full, the Class B Notes will be redeemed in accordance with the provisions of Condition 7 (*Redemption, Purchase and Cancellation*), provided that if, on any Quarterly Payment Date, there is a balance on the Class B PDL, then the amount due and payable in respect of the redemption of principal under a Class B Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less any applicable Principal Shortfall on such date. In case of redemption pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or Condition 7.8 (*Optional Redemption by the Issuer*), the Principal Amount Outstanding of such Class B Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Class B Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Quarterly Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*). The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

#### **10.3 Subordination of the payment of principal – the Class C Notes**

- (a) Until all the Class A Notes and the Class B Notes have been redeemed in full, principal amounts shall not be due and payable under the Class C Notes.
- (b) On or after the date on which all the Class A Notes have been redeemed in full and the Class B Notes have been redeemed in full, the Class C Notes will be redeemed in accordance with the provisions of Condition 7 (*Redemption, Purchase and Cancellation*), provided that if, on any Quarterly Payment Date, there is a balance on the Class C PDL, then the amount due and payable in respect of the redemption of principal under a Class C Note on such Quarterly Payment Date shall not exceed its Principal

Amount Outstanding less any applicable Principal Shortfall on such date. In case of redemption pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or Condition 7.8 (*Optional Redemption by the Issuer*) the Principal Amount Outstanding of such Class C Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Class C Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Quarterly Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*). The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

**10.4 Subordination of the payment of principal – the Class D Notes**

- (a) Until all the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, principal amounts shall not be due and payable under the Class D Notes.
- (b) On or after the date on which all the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, the Class D Notes will be redeemed in accordance with the provisions of Condition 7 (*Redemption, Purchase and Cancellation*), provided that if, on any Quarterly Payment Date, there is a balance on the Class D PDL, then the amount due and payable in respect of the redemption of principal under a Class D Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less any applicable Principal Shortfall on such date. In case of redemption pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or Condition 7.8 (*Optional Redemption by the Issuer*), the Principal Amount Outstanding of such Class D Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Class D Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Quarterly Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*). The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

**10.5 Subordination of the payment of principal – the Class E Notes**

- (a) Until all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, principal amounts shall not be due and payable under the Class E Notes.
- (b) On or after the date on which all the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, the Class E Notes will be redeemed in accordance with the provisions of Condition 7 (*Redemption, Purchase and Cancellation*), provided that if, on any Quarterly Payment Date, there is a balance on the Class E PDL, then the amount due and payable in respect of the redemption of principal under a Class E Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less any applicable Principal Shortfall on such date. In case of redemption pursuant to Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*), Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*) or Condition 7.8 (*Optional Redemption by the Issuer*), the Principal Amount Outstanding of such Class E Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Class E Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Quarterly Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 7.8 (*Optional Redemption by the Issuer*) or the Quarterly Payment Date on which the Issuer has redeemed the Notes in accordance with Condition 7.6 (*Redemption of the Notes following the exercise of the Seller Clean-Up Option*) or Condition 7.7 (*Redemption of the Notes following the exercise of the Regulatory Call Option*). The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

#### 10.6 **Subordination of the payment of principal – the Class F Notes**

- (a) Principal amounts due under the Class F Notes shall be made from Interest Available Funds only.
- (b) If on any Notes Calculation Date all interest and principal due and payable in respect of the Notes except for interest and principal amounts due and payable under the Class F Notes, have been paid or will be available for payment in full on the Quarterly Payment Date immediately following such Notes Calculation Date, then all amounts standing to the credit of the Reserve Account will be credited to the Transaction Account, and form part of, the Interest Available Funds and will be available to redeem or partially redeem the Class F Notes until fully redeemed in accordance with the Interest Priority of Payments. If the Interest Available Funds are insufficient to repay the Principal Amount Outstanding and interest payable in relation to such Class F Notes, the Class F Noteholder shall have no further claim against the Issuer for any amount of shortfall in principal or interest after the date on which the Issuer has no further rights under or in connection with any of the Transaction Documents.

### 11. **LIMITED RECOURSE AND NON-PETITION**

#### 11.1 **Limited recourse**

- (a) The recourse of the Noteholders against the Issuer is limited, as more particularly described in these Conditions, the Trust Deed and the Pledge Agreements.
- (b) The Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding due and payable under the Notes after the earlier of:
  - (i) the Final Maturity Date;
  - (ii) the date on which a Note is redeemed in full; and
  - (iii) the date on which the Issuer has no further rights under or in connection with the Transaction Documents.
- (c) Each of the Noteholders agrees with the Issuer and Security Trustee that notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse such that the only assets of the Issuer available to meet the claims of, amongst others, the Noteholders, will be the assets subject to the relevant Security.
- (d) Any claim remaining unsatisfied after the realisation of the Security and the application of the proceeds thereof in accordance with the applicable Priority of Payments shall be extinguished and the Noteholders shall have no rights in respect of any such claims. In such circumstances, the Notes shall be surrendered in accordance with Condition 6 (*Payment*) and cancelled in accordance with Condition 7 (*Redemption, Purchase and Cancellation*).

## 11.2 **Non-petition**

- (a) Except as provided in Condition 13 (*Enforcement*), no Noteholder or any of the other Secured Parties, shall be entitled to take any steps:
  - (i) to direct the Security Trustee to enforce the relevant Security;
  - (ii) to take or join any person in taking steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;
  - (iii) to initiate or join any person in initiating against the Issuer any bankruptcy, winding-up, dissolution, reorganisation, arrangement, insolvency, liquidation or any other proceedings having a similar effect until the expiry of a period of 1 (one) year after the last maturing Note is paid in full; or
  - (iv) to take any steps or proceedings that would result in the Priority of Payments not being observed.

## 12. **EVENTS OF DEFAULT**

### 12.1 **Determination of an Event of Default**

Subject to Condition 12.2 (*Enforcement Notice as between each Class of Notes*) and Condition 12.3 (*Events of Default*) below, the Security Trustee:

- (a) *may*, in its absolute discretion; or



- (b) *shall*, if it has been directed by an Extraordinary Resolution of:
- (A) the Class A Noteholders;
  - (B) if no Class A Notes are outstanding, by an Extraordinary Resolution of the Class B Noteholders;
  - (C) if no Class A Notes and Class B Notes are outstanding, by an Extraordinary Resolution of the Class C Noteholders;
  - (D) if no Class A Notes, Class B Notes and Class C Notes are outstanding, by an Extraordinary Resolution of the Class D Noteholders;
  - (E) if no Class A Notes, Class B Notes, Class C Notes and Class D Notes are outstanding, by an Extraordinary Resolution of the Class E Noteholders;
  - (F) if no Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are outstanding, by an Extraordinary Resolution of the Class F Noteholders,

(in each case, the "**Relevant Class**") provided that, if any of the events specified in paragraph (b) of Condition 12.3 (*Events of Default*) have occurred, then only if the Security Trustee has certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class; and

- (c) subject, in each case, to being indemnified to its satisfaction,

deliver a written notice (an "**Enforcement Notice**") to the Issuer declaring the Notes to be due and payable, upon the occurrence of any of the events specified in Condition 12.3 (*Events of Default*), below.

#### 12.2 **Enforcement Notice as between each Class of Notes**

- (a) If any Class A Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes irrespective of whether an Extraordinary Resolution is passed by the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Class F Noteholders unless the Security Trustee has been directed to issue an Enforcement Notice pursuant to an Extraordinary Resolution of the Class A Noteholders.
- (b) If any Class B Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes irrespective of whether an Extraordinary Resolution is passed by the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Class F Noteholders unless the Security Trustee has been directed to issue an Enforcement Notice pursuant to an Extraordinary Resolution of the Class B Noteholders.

- (c) If any Class C Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class D Notes, the Class E Notes or the Class F Notes irrespective of whether an Extraordinary Resolution is passed by the Class D Noteholders, the Class E Noteholders or the Class F Noteholders unless the Security Trustee has been directed to issue an Enforcement Notice pursuant to an Extraordinary Resolution of the Class C Noteholders.
- (d) If any Class D Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class E Notes or the Class F Notes irrespective of whether an Extraordinary Resolution is passed by the Class E Noteholders or the Class F Noteholders unless the Security Trustee has been directed to issue an Enforcement Notice pursuant to an Extraordinary Resolution of the Class D Noteholders.
- (e) If any Class E Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class F Notes irrespective of whether an Extraordinary Resolution is passed by the Class F Noteholders unless the Security Trustee has been directed to issue an Enforcement Notice pursuant to an Extraordinary Resolution of the Class E Noteholders

### 12.3 **Events of Default**

The occurrence of any of the following events shall be an "**Event of Default**":

- (a) a default by the Issuer for a period of fifteen (15) days in the payment of any amount that is due and payable by it under any Class of Notes;
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes, the Trust Deed, the Pledge Agreements or any other Transaction Document, and such failure:
  - (i) is in the reasonable opinion of the Security Trustee, incapable of remedy; or
  - (ii) being a failure, which is in the reasonable opinion of the Security Trustee, capable of remedy, but which remains unremedied for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied;
- (c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days;
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution, liquidation or winding-up of the Issuer or for the appointment of a bankruptcy official or receiver of the Issuer or of all or substantially all of its assets;
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or

- (f) the Issuer files a petition for a suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt.

#### 12.4 **Acceleration**

Upon delivery of an Enforcement Notice, the Notes shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest up to (but excluding) the date on which all principal, interest and other amounts (if any) are paid in full.

### 13. **ENFORCEMENT**

- (a) If at any time an Event of Default occurs and an Enforcement Notice has been delivered pursuant to Condition 12 (*Events of Default*), the Security Trustee may, in its absolute discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce its rights under and in accordance with the Trust Deed, the Pledge Agreements and other Transaction Documents (including a demand for payment under such agreements), but it shall not be bound to take such proceedings unless the Security Trustee receives such directions pursuant to an Extraordinary Resolution of:

- (i) the Class A Noteholders;
- (ii) if all amounts due in respect of the Class A Notes have been fully paid, the Class B Noteholders;
- (iii) if all amounts due in respect of the Class A Notes and the Class B Notes have been fully paid, the Class C Noteholders; or
- (iv) if all amounts due in respect of the Class A Notes, the Class B Notes and the Class C Notes have been fully paid, the Class D Noteholders; or
- (v) if all amounts due in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been fully paid, the Class E Noteholders; or
- (vi) if all amounts due in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been fully paid, the Class F Noteholders; and

the Security Trustee is indemnified to its satisfaction for any action it may take under this Condition.

- (b) No Noteholder shall be entitled to take any proceedings or other action directly against the Issuer except if the Security Trustee having become bound to take action pursuant to paragraph (a) of this Condition 13 (*Enforcement*), fails to do so within a reasonable time and such failure is continuing.

### 14. **THE SECURITY TRUSTEE**

#### 14.1 **Rights, limitation of liability and indemnity**

The Trust Deed contains provisions:

- (a) giving various powers, authorities and discretions to the Security Trustee in addition to those contained elsewhere in these Conditions;
- (b) specifying various matters in respect of which the Security Trustee is to have:
  - (i) no duty or responsibility to make any investigation; and
  - (ii) no liability or responsibility to the Noteholders or any of the other Secured Parties in the absence of wilful default and gross negligence; and
- (c) entitling the Security Trustee to indemnification or providing that it is not obliged to take any action at the direction of any person unless it has been indemnified or otherwise secured to its satisfaction.

#### 14.2 **Noteholder interests as a class, no indemnity to Noteholders**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14 (*The Security Trustee*)) the Security Trustee shall have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, each as a Class, and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

#### 14.3 **Noteholder interests**

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, each as a Class, as regards all powers, trust, authorities, duties and discretions of the Security Trustee under the Trust Deed and the other Transaction Documents, except where expressly provided otherwise.

#### 14.4 **Conflict between Noteholder interests**

If, in relation to the exercise or performance of any of trusts, powers, authorities, duties, discretions and obligations of the Security Trustee described in Condition 14.3 (*Noteholder interests*), the Security Trustee is of the opinion that there is or may be a conflict:

- (a) between the interests of:
  - (iii) the Class A Noteholders; and
  - (iv) the other Noteholders,

the Security Trustee shall have regard only to the interests of the Class A Noteholders;
- (b) if there are no Class A Notes outstanding, between the interests of:

- (i) the Class B Noteholders; and
  - (ii) the other Noteholders,

the Security Trustee shall have regard only to the interests of the Class B Noteholders;
- (c) if there are no Class A Notes outstanding and no Class B Notes outstanding between the interests of:
  - (i) the Class C Noteholders; and
  - (ii) the other Noteholders,

the Security Trustee shall have regard only to the interests of the Class C Noteholders;
- (d) if there are no Class A Notes, no Class B Notes and no Class C Notes outstanding between the interests of:
  - (i) the Class D Noteholders; and
  - (ii) the other Noteholders,

the Security Trustee shall have regard only to the interests of the Class D Noteholders;
- (e) if there are no Class A Notes, no Class B Notes, no Class C Notes and no Class D Notes outstanding between the interests of:
  - (i) the Class E Noteholders; and
  - (ii) the Class F Noteholders,

the Security Trustee shall have regard only to the interests of the Class E Noteholders; and
- (f) if there are no Class A Notes, no Class B Notes, no Class C Notes, no Class D Notes and no Class E Notes outstanding the Security Trustee shall have regard only to the interests of the Class F Noteholders.

#### **14.5 Interests of Secured Parties**

In addition to the Noteholders, the Security Trustee shall have regard to the interests of the Secured Parties, provided that, if there is a conflict of interest between such Secured Parties, the applicable Priority of Payments shall determine which interests shall prevail.

### **15. NOTICES**

#### **15.1 Valid notices**

Unless stated otherwise in these Conditions all notices to the Noteholders and the holders of Coupons pertaining thereto will only be valid if published in the English language in at least one (1) daily newspaper of wide circulation in The Netherlands, or, if such

newspaper shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, for as long as the Listed Notes are listed on Euronext Amsterdam, in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam N.V. Any such notice shall be deemed to have been given on the first date of such publication.

#### **15.2 Notices whilst the EN Notes are in global form**

- (a) For so long as any of the Notes are represented by a Global Note and such Global Note is held by Euroclear Netherlands, notices to holders of EN Notes may be given by delivery of the relevant notice to Euroclear Netherlands for communication to the relevant accountholders rather than by publication as required by Condition 15.1 (*Valid notices*).
- (b) Any notice delivered on or prior to 4.00 p.m. (local time) on a Business Day to Euroclear Netherlands shall be deemed to have been given to the holders of the EN Notes on the Business Day on which such notice is delivered to Euroclear Netherlands. Any notice delivered after 4.00 p.m. (local time) on a Business Day to Euroclear Netherlands shall be deemed to have been given to the holders of the EN Notes on the Business Day after the day on which such notice is delivered to Euroclear Netherlands. So long as the Listed Notes are listed on Euronext Amsterdam and its rules so require, notices will also be published in the English language in at least 1 (one) daily newspaper of wide circulation in The Netherlands.

#### **15.3 Notices whilst the CD Notes are in global form**

- (a) For so long as all of the CD Notes are represented by the CD Global Notes and such CD Global Notes are held on behalf of Euroclear and/or Clearstream Luxembourg, notices to the holders of CD Notes may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 15.1 (*Valid notices*).
- (b) Any notice delivered on or prior to 4.00 p.m. (local time) on a Business Day to Euroclear and/or Clearstream Luxembourg (as the case may be) shall be deemed to have been given to the holders of the CD Notes on the Business Day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) as aforesaid. Any such notice delivered after 4.00 p.m. (local time) on a Business Day to Euroclear and/or Clearstream Luxembourg (as the case may be) shall be deemed to have been given to the holders of the CD Notes on the Business Day after the day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) as aforesaid.

#### **15.4 Other methods for notices**

The Security Trustee may approve any other method of giving notice to Noteholders which is, in its opinion, reasonable having regard to market practice then prevailing and the requirements of Euronext Amsterdam.

## 16. MEETINGS OF NOTEHOLDERS

### 16.1 Convening

The Trust Deed contains provisions governing the procedures, constitution and validity of meetings of the Noteholders, including (i) provisions for written resolutions, (ii) provisions for convening separate meetings of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders to consider matters affecting their interests, including the modification of the provisions of these Conditions, the Trust Deed, the Pledge Agreements or the other Transaction Documents, and (iii) the making of determinations by extraordinary resolution of the Noteholders, or Noteholders of a Class (an "**Extraordinary Resolution**").

### 16.2 Request for Meeting

The Security Trustee shall convene a Meeting at the request of the Issuer or the Noteholders of any Class holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes of such Class.

### 16.3 Quorum and passing of Extraordinary Resolutions

- (a) The quorum required for any Meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two (2) or more persons holding at least  $66\frac{2}{3}$  per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a Meeting an Extraordinary Resolution shall be adopted with a majority of not less than  $66\frac{2}{3}$  per cent. of the votes validly cast except that if the Extraordinary Resolution includes or concerns the sanctioning of a Basic Terms Change, then the quorum for any Class of Notes will be two or more persons holding at least 75 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class, and the majority required to adopt such Extraordinary Resolution at such Meeting shall be a majority of not less than 75 per cent. of the votes validly cast.
- (b) If in the circumstances described in paragraph (a) of this Condition, the required quorum is not satisfied, a second meeting of Noteholders shall be held within one (1) month of the first Meeting, with due observance of the same formalities for convening the meeting which governed the convening of the first Meeting (the "**Second Meeting**"). At the Second Meeting, the quorum required to consider an Extraordinary Resolution for any Class of Notes will be two (2) or more persons irrespective of the Principal Amount Outstanding of the Notes held by them except that if the Extraordinary Resolution concerns the removal and replacement of any or all of the managing directors of the Security Trustee, then the quorum will be two (2) or more persons holding at least 30 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class. In such circumstances, the majority required to adopt an Extraordinary Resolution shall be a majority of not less than  $66\frac{2}{3}$  per cent. of the votes validly cast except that if the Extraordinary Resolution includes or concerns the sanctioning of a Basic Terms Change, then the majority required for an Extraordinary Resolution to be adopted shall be a majority of not less than 75 per cent. of the votes validly cast.

- (c) If any Class of Notes is held by a single Noteholder, a single voter in relation to such Class shall be deemed to be two (2) voters for the purpose of forming a quorum.

#### 16.4 **Sanctioning changes and a Basic Terms Change**

Without prejudice to Condition 17 (*Modification and Waiver of Breach*), any change to the Notes, the Trust Deed, the Pledge Agreements or any of the other Transaction Documents, may only be sanctioned by an Extraordinary Resolution, provided that a Basic Terms Change shall only be effective if it is sanctioned by an Extraordinary Resolution of the holders of each Class of Notes except that if the Security Trustee is of the opinion that such a Basic Terms Change:

- (a) is being proposed by the Issuer as a result of, or in order to avoid an Event of Default; and
  - (b) will not adversely affect the then current ratings assigned to the Notes,
- then, no such Extraordinary Resolution is required.

#### 16.5 **Extraordinary Resolutions and relationship between each Class of Notes**

- (a) An Extraordinary Resolution of the Class B Noteholders shall only be effective if:
  - (i) the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders; or
  - (ii) if such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class A Noteholders.
- (b) An Extraordinary Resolution of the Class C Noteholders shall only be effective if:
  - (i) the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders and the Class B Noteholders; or
  - (ii) if such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders.
- (c) An Extraordinary Resolution of the Class D Noteholders shall only be effective if:
  - (i) the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders; or
  - (ii) if such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.
- (d) An Extraordinary Resolution of the Class E Noteholders shall only be effective if:
  - (i) the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; or



- (ii) if such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (e) An Extraordinary Resolution of the Class F Noteholders shall only be effective if:
  - (i) the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders; or
  - (ii) if such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders.

#### 16.6 **Exercise of powers of Class A Noteholders**

The Trust Deed imposes no limitations as set out in Condition 16.5 (*Extraordinary Resolutions and relationship between each Class of Notes*) on the powers of the Class A Noteholders, the exercise of which will be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, irrespective of the effect on their interests.

#### 16.7 **Resolutions binding between Noteholders of each Class**

All resolutions duly passed at a Meeting of:

- (a) the Class A Noteholders;
- (b) the Class B Noteholders;
- (c) the Class C Noteholders;
- (d) the Class D Noteholders;
- (e) the Class E Noteholders; or
- (f) the Class F Noteholders,

shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

In addition, a resolution in writing signed by or on behalf of all Noteholders of a particular class of Notes who for the time being are entitled to receive notice of a meeting of Noteholders of such class will take effect as if it were an Extraordinary Resolution of the holders of such Class of Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders of the relevant Class of Notes (as the case may be). For the avoidance of doubt convening requirements as set out above are not applicable when the written resolution is signed by or on behalf of all Noteholders of the relevant Class of Notes.

**17. MODIFICATION AND WAIVER OF BREACH**

**17.1 Modification**

The Security Trustee may agree, without the consent of the Noteholders, to any modification (other than a Basic Terms Change) to any of the provisions of the Notes, the Trust Deed, the Pledge Agreements or any of the other Transaction Documents if, in the opinion of the Security Trustee:

- (a) it is not materially prejudicial to the interests of the Noteholders of any Class; or
- (b) is to correct a manifest error, or is of a formal, minor or technical nature,

provided that in each case the Security Trustee has notified the Rating Agencies of such modification.

**17.2 Breach**

The Security Trustee may, without the consent of the Noteholders and if in its opinion it will not be materially prejudicial to the interests of the Noteholders of any Class:

- (a) authorise or waive, on any terms and subject to any conditions which it considers appropriate, any proposed breach or breach of any Transaction Document; and
- (b) determine that an actual or potential Event of Default or actual or potential breach of the Conditions shall not, or shall not subject to specified conditions, be treated as such,

provided that in each case:

- (A) the Security Trustee has notified the Rating Agencies; and
- (B) the Security Trustee has determined that the then current rating of the Notes will not be adversely affected by any such authorisation, determination or waiver.

**17.3 Binding nature**

Any modification, waiver, authorisation or determination made by the Security Trustee pursuant to this Condition 17 (*Modification and Waiver of Breach*) shall be binding on the Noteholders.

**17.4 Notification to Noteholders**

If the Security Trustee requires that the relevant modification, waiver, authorisation or determination made under Condition 17.3 (*Binding nature*) be notified to the Noteholders, then the Issuer shall make such notification in accordance with Condition 15 (*Notices*), as soon as is practicable thereafter.

18. **REPLACEMENT OF NOTES**

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

19. **GOVERNING LAW AND JURISDICTION**

19.1 **Governing law**

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

19.2 **Jurisdiction**

Any legal action or proceedings arising out of or in connection with the Notes shall be irrevocably submitted by the Issuer to the jurisdiction of the competent court in Amsterdam, The Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

**Initial Specified Office**

**CD PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street, London EC2N 2DB  
United Kingdom

**CD PAYING AGENT**

**Deutsche Bank AG, Amsterdam Branch**

Herengracht 450-454  
1017 CA Amsterdam  
The Netherlands

**EN PRINCIPAL PAYING AGENT**

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank International**

Croeselaan 18 (UC R 214)  
3521 CB Utrecht  
The Netherlands

**EN PAYING AGENT**

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank International**

Croeselaan 18 (UC-O-331)  
3521 CB Utrecht  
The Netherlands

## THE GLOBAL NOTES

### 1. GLOBAL NOTES

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

### 2. EN NOTES

The EN Notes will initially be represented by an EN Temporary Global Note without coupons or talons attached. The EN Temporary Global Note will be deposited with Euroclear Netherlands on or about the Closing Date.

Upon deposit of the EN Temporary Global Note, Euroclear Netherlands will credit the accounts of the admitted institutions (*aangesloten instellingen*), which will credit the account of each purchaser of the Notes (represented by the EN Temporary Global Note) with the principal amount equal to the principal amount thereof for which it is purchased and paid.

The EN Temporary Global Note will be exchangeable on the Exchange Date, upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands, for interests in an EN Permanent Global Note for the Class of A Notes, in bearer form without coupons or talons, in the principal amount of the Notes.

On exchange of the EN Temporary Global Note for the EN Permanent Global Note, the EN Permanent Global Note will remain deposited with Euroclear Netherlands.

A holder of an EN Note does not have the right to request withdrawal (*uitlevering*) of the EN Permanent Global Note. Interests in the EN Permanent Global Note will not be exchangeable (*omwisselbaar*) for definitive notes. Each of the persons shown in the records of Euroclear Netherlands or its admitted institutions (*aangesloten instellingen*) as the holder of an EN Note will be entitled to receive any payment made in respect of that EN Note in accordance with the respective rules and procedures of Euroclear Netherlands. Such persons will have no claim directly against the Issuer in respect of payments due on any EN Note which must be made by the holder of the relevant EN Global Note if for so long as such EN Global Note is outstanding. Each person must give a certificate as to non-US beneficial ownership as of the date on which the Issuer is obliged to exchange the EN Temporary Global Note for the EN Permanent Global Note, which date shall be no earlier than the Exchange Date and the first Quarterly Payment Date.

For so long as any EN Note is represented by an EN Global Note deposited with Euroclear Netherlands, then such EN Note will be transferable in accordance with the rules and procedures for the time being of Euroclear Netherlands.

For so long as any EN Notes are represented by an EN Global Note deposited with Euroclear Netherlands, then each person who is for the time being shown in the records of Euroclear Netherlands or an admitted institution (*aangesloten instelling*), as the holder of a particular Principal Amount Outstanding of those Notes, for which purpose any certificate or letter

confirmation (or other form of record made by them) as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be treated by the Issuer and the Security Trustee and all other persons as a holder of that particular Principal Amount Outstanding of those Notes for all purposes, other than the right to payments in respect of those Notes which shall be vested, as against the Issuer solely in the bearer of the relevant Global Notes and who shall be regarded as the "Noteholder" for that purpose. Any statement in writing issued by Euroclear Netherlands or an admitted institution (*aangesloten instelling*) as to the persons shown in its records as being entitled to such Notes and the respective Principal Amount Outstanding of such Notes held by them shall be conclusive for all purposes.

Notwithstanding Condition 15 (*Notices*) of the Notes, if any EN Note is represented by an EN Global Note and such EN Global Note is deposited with Euroclear Netherlands, notices to holders of EN Notes may be given by delivery of the relevant notice to Euroclear Netherlands for communication to the relevant accountholders (provided that if any publication is required by a stock exchange, such stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange is met) and, in any case, such notices shall be deemed to have been given to the holders of EN Notes in accordance with Condition 15 (*Notices*) of the Notes (a) if delivered on or prior to 4.00 p.m. (local time) on a Business Day to Euroclear Netherlands, on the Business Day on which such notice is delivered to Euroclear Netherlands and (b) if delivered after 4.00 p.m. (local time) on a Business Day to Euroclear Netherlands, on the Business Day after the day on which such notice is delivered to Euroclear Netherlands.

### 3. CD NOTES

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

Each such CD Temporary Global Note will be exchangeable on the Exchange Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a CD Permanent Global Note for the relevant Class of CD Notes. On the exchange of a CD Temporary Global Note for a CD Permanent Global Note of the relevant class, the CD Permanent Global Note will remain deposited with the CD Common Depositary. The Permanent CD Global Note will be exchangeable for Definitive Notes (as defined below) only in the limited circumstances described below.

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

If after the Exchange Date (i) the CD Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream Luxembourg is closed for business for a continuous period of 14 (fourteen) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of The Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the CD Principal Paying Agent is or will be required

to make any deduction or withholding on account of tax from any payment in respect of the CD Notes which would not be required were the CD Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

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

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

Notwithstanding Condition 15 (*Notices*) of the Notes, if any CD Notes are represented by the CD Global Notes and such CD Global Notes are deposited with Euroclear and/or Clearstream Luxembourg, notices to the holders of CD Notes may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders (provided that if any publication is required by a stock exchange, such stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange is met) and, in any case, such notices shall be deemed to have been given to the holders of CD Notes in accordance with Condition 15 (*Notices*) of the Notes (a) if delivered on or prior to 4.00 p.m. (local time) on a Business Day to Euroclear and/or Clearstream Luxembourg (as the case may be), on the Business Day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) and (b) if delivered after 4.00 p.m. (local time) on a Business Day to Euroclear and/or Clearstream Luxembourg (as the case may be) on the Business Day after the day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be).

## TAXATION IN THE NETHERLANDS

The following summary outlines certain Netherlands tax consequences in connection with the acquisition, ownership and disposal of the Notes. The summary does not purport to present any comprehensive or complete picture of all Netherlands tax aspects that could be of relevance to the acquisition, ownership and disposal of Notes by a (prospective) holder of Notes who may be subject to special tax treatment.

The summary is based on the tax laws and practice of The Netherlands as in effect on the date of this Prospectus, which are subject to changes that could prospectively or retrospectively affect the stated tax consequences.

**Prospective holders of Notes should consult their own professional advisors with respect to tax consequences of any acquisition, ownership or disposal of the Notes in their individual circumstances.**

### **Withholding Tax**

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

### **Taxes on Income and Capital Gains**

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

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

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



### **Gift, Estate and Inheritance Taxes**

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

- (a) such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are or were attributable; or
- (b) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

### **Turnover Tax**

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

### **Other Taxes and Duties**

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

### **European Union Tax Considerations**

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

## PURCHASE AND SALE OF NOTES

Rabobank International (the "**Manager**") has pursuant to a subscription agreement dated on or before the Closing Date between the Manager, the Issuer, the Security Trustee and the Seller (the "**Subscription Agreement**"), agreed with the Issuer, subject to certain conditions, to purchase the Notes at their issue price.

The Issuer has agreed to indemnify the Manager against certain liabilities and expenses in connection with the issue of the Notes.

### European Economic Area

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

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000; and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (c) 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 Manager; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

### United States

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

The Manager has represented to and agreed with the Issuer that the Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

The Manager has agreed that it will not offer or sell the Notes, (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering or the Closing Date, except in offshore transactions and in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

- (a) neither it nor any of its affiliates (including any person acting on its behalf or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and
- (b) it and its affiliates have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. The Manager has also undertaken that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been 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, (a) as part of their distribution at any time; or (b) otherwise until forty (40) days after the later of the commencement of the offering and the Closing Date, except in either case in offshore transactions and in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this section above have the meanings given to them by Regulation S under the Securities Act.

In addition, the Manager has represented to and agreed with the Issuer that:

- (a) except to the extent permitted under United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period that it will not offer or sell, any Notes to a person who is within the United States or its possessions or to a U.S. person; and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes that are sold during the restricted period;
- (b) it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will

only do so in accordance with the requirements of United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D)(6);

- (d) with respect to each affiliate which acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it has either: (i) repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) on its own behalf; or (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b) and (c); and
- (e) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in paragraphs (a), (b) and (c) from any person other than its affiliate with whom it enters into a written contract, (a "distributor" as defined in United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Notes.

Terms used in this section under (a) through (e) above have the meanings given to them by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

### **United Kingdom**

The Manager has represented and agreed that:

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

### **General**

This Prospectus is not an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer and the Manager to inform themselves about, and to observe, any such restrictions. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations. Neither this Prospectus nor any other information supplied constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Notes.

## GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing board of the Issuer passed on 9 December 2008.
2. The Notes will be obligations of the Issuer only. In particular, the Notes will not be guaranteed by, or be the responsibility of, any other entity or person, including, without limitation, any of the other parties to the Transaction Documents. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the other parties to the Transaction Documents. None of the Secured Parties or any other entity or person will be under any obligation whatsoever to provide additional funds to the Issuer.
3. Application has been made to list the Listed Notes on Euronext Amsterdam. So long as any of the Listed Notes are listed on Euronext Amsterdam and the rules of Euronext Amsterdam shall so require, the Issuer will maintain a paying agent in The Netherlands, which is expected to be Deutsche Bank AG, Amsterdam Branch.
4. The CD Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg. The Common Code and International Securities Identification Number in respect of such Notes are as follows:

	<b>Common Code</b>	<b>ISIN</b>
Class B Notes	039935171	XS0399351716
Class C Notes	039935201	XS0399352011
Class D Notes	039935228	XS0399352284
Class E Notes	039935287	XS0399352870
Class F Notes	039968851	XS0399688513

The EN Notes have been accepted for clearance through Euroclear Netherlands. The Common Code and International Securities Identification Number are as follows:

	<b>Common Code</b>	<b>ISIN</b>
Class A Notes	039954303	NL0006504532

5. The address of the clearing system Euroclear Netherlands is Damrak 70, 1012 LM Amsterdam, The Netherlands, the address of the clearing system Euroclear is 1 Boulevard du Roi, Albert 11, B-1210 Brussels, Belgium and the address of the clearing system Clearstream Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.
6. Since the last 12 months, there have not been any governmental, legal or arbitration proceedings (including, as far as the Issuer is aware, any such proceedings which are

pending or threatened against the Issuer), which may have or have had significant effects on the Issuer's financial position or profitability.

7. Copies of the following documents may be inspected at the offices of the Security Trustee and the Specified Office of each Paying Agent during normal business hours:
  - (a) this Prospectus;
  - (b) the Account Bank Agreement;
  - (c) the Ancillary Fee Letter (as defined in the the Master Definitions and Framework Agreement);
  - (d) the articles of association (*statuten*) of the Security Trustee;
  - (e) the deed of incorporation (*oprichtingsakte*) of the Issuer;
  - (f) the Issuer Administration Agreement;
  - (g) the Issuer Management Agreement;
  - (h) the Liquidity Facility Agreement;
  - (i) the Master Definitions and Framework Agreement;
  - (j) the Paying Agency Agreement;
  - (k) the Pledge Agreements;
  - (l) the Receivables Purchase Agreement;
  - (m) the Security Trustee Management Agreement;
  - (n) the Servicing Agreement;
  - (o) the Shareholder Management Agreement;
  - (p) the Subscription Agreement;
  - (q) the Swap Agreement; and
  - (r) the Trust Deed.
8. The articles of association (*statuten*) of the Issuer are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the office of the Issuer during normal business hours.
9. The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the Specified Office of each Paying Agent during normal business hours. The audited financial statements will for the first time be available within 180 days after the end of the financial year 2009.
10. Ernst & Young Accountants LLP has given and has not withdrawn its written consent to include their report in this Prospectus in the form and context in which it appears.

11. Each individual auditor to the Issuer is a member of the Royal NIVRA (*Koninklijk Nederlands Instituut voor Registeraccountants*).
12. There has been no significant change in the financial or trading position of the Issuer since 7 November 2008.
13. There has been no material adverse change in the prospects of the Issuer since 7 November 2008.
14. The estimated aggregate costs of the transaction described in this Prospectus amount to 0.01 per cent. of the proceeds of the Notes. The estimated aggregate costs of admitting the Notes to trading amounts to €21,000.
15. This Prospectus constitutes a prospectus for the purpose of the Rules set forth in Euronext Rule Book, Book I (Harmonised Market Rules) Euronext Amsterdam and for the purposes of the Prospectus Directive.
16. The aggregate principal amount of the Notes to be issued on or about the Closing Date shall be €10,763,000,000.
17. This Prospectus has been approved by the AFM, which is the competent authority for the purposes of the Prospectus Directive and relevant implementing measures in The Netherlands.
18. The Issuer is responsible for all the information contained in this Prospectus other than the information referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which the Seller is responsible, contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in this Prospectus in the sections entitled *Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.*, *Description of Loans* and *Loan Underwriting and Servicing*. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information and consequently the Seller does not assume any liability in respect of any other information contained in this Prospectus.

19. Information in this Prospectus that has been sourced from a third party has been accurately reproduced, and as far as the Issuer and the Seller are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
20. Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained in this Prospectus is correct at any time after the date of this Prospectus. The Issuer and the Seller have no obligation to update this Prospectus, except when required pursuant to the FMSA or any other regulations, laws or rules in force, from time to time.

21. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.
22. The Manager and the Seller expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. An investor should review, amongst other things, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. In addition, an investor should make its own determination of the suitability of any such investment in the Notes with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment.
23. The Issuer will use receipts of principal and interest in respect of the Receivables together with amounts it receives under the Floating Rate GIC and the Swap Agreement and drawings under the Liquidity Facility Agreement, to make payments of, *inter alia*, principal and interest due in respect of the Notes. These sources have in the opinion of the Issuer characteristics that demonstrate capacity to service payments of principal and interest when due and payable under the Notes, although no guarantee can be given that the actual payments received by the Issuer will be sufficient to make such payments under the Notes.



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## REGISTERED OFFICES

<b>ISSUER</b> <b>BEST SME 2008 B.V.</b> Frederik Roeskestraat 123 1076 EE Amsterdam The Netherlands	
<b>SECURITY TRUSTEE</b>	<b>ISSUER ADMINISTRATOR</b>
<b>Stichting Security Trustee</b> <b>BEST SME 2008</b> Frederik Roeskestraat 123 1076 EE Amsterdam The Netherlands	<b>ATC Financial Services B.V.</b> Frederik Roeskestraat 123 1076 EE Amsterdam The Netherlands
<b>SELLER</b>	<b>SERVICER</b>
<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands	<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands
<b>LISTING AGENT</b>	<b>SWAP COUNTERPARTY</b>
<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands	<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands
<b>LIQUIDITY FACILITY PROVIDER</b>	<b>ACCOUNT BANK AND FLOATING RATE GIC PROVIDER</b>
<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands	<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands
<b>EN PRINCIPAL PAYING AGENT AND EN PAYING AGENT</b>	<b>CD PAYING AGENT</b>
<b>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.</b> Croeselaan 18 3521 CB Utrecht The Netherlands	<b>Deutsche Bank AG, Amsterdam Branch</b> Herengracht 450-454 1017 CA Amsterdam The Netherlands
<b>CD PRINCIPAL PAYING AGENT</b>	<b>REFERENCE AGENT</b>
<b>Deutsche Bank AG, London Branch</b> Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom	<b>Deutsche Bank AG, London Branch</b> Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom

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