

Dated 24 May 2007

ING BANK N.V.

SUPPLEMENTAL SECURITIES NOTE

€50,000,000,000

Global Issuance Programme

Series No: 1048

**Issue of a minimum of 25,000 certificates of 18 Month Dynamic Bonus Note BASF AG
due November 2008**

Issue Price: Strike Price

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INTRODUCTION

This Supplemental Securities Note (the “**Securities Note**”) is supplemental to the Securities Note dated 26 April 2007 in connection with the Notes (as defined below, and has been prepared due to the publication on 16 May 2007 of an updated Base Prospectus (as defined below) of ING Bank N.V. (the “**Issuer**”) for the purposes, as far as is relevant to the Notes, of updating the annual financial figures of the Issuer to incorporate its 2006 figures. The updated Base Prospectus is available free of charge by request from the Issuer. Written or oral requests for such documents should be directed to the Issuer at the address specified below. This Securities Note has been prepared in connection with the issue by the Issuer of a minimum of 25,000 certificates of 18 Month Dynamic Bonus Note BASF AG due November 2008 (the “**Notes**”) under its €50,000,000,000 Global Issuance Programme (the “**Programme**”).

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

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

On 16 May 2007, the Issuer published a Base Prospectus (the “**Base Prospectus**”) in respect of the Programme. On 16 May 2007, the Issuer published a Registration Document (the “**Registration Document**”). On the date hereof, the Issuer published a Supplemental Summary Note in respect of the issue of the Notes (the “**Summary Note**”). This Securities Note should be read and construed in conjunction with the Summary Note, the Registration Document (which incorporates by reference into it Chapter 1 of the Base Prospectus, the details of relevant parties to the Programme on the last four pages of the Base Prospectus (the “**List of Parties**”)), each of the sections headed “Summary of the Programme”, “Risk Factors” (Parts 1 and 2), “Taxation”, “Subscription and Sale” and “General Information” of Chapter 1 of the Base Prospectus (all of which are incorporated by reference in this Securities Note as described in the paragraph below). Copies of this Securities Note, the Base Prospectus, the Summary Note and the Registration Document may be obtained free of charge from the Issuer. Written or oral requests for such documents should be directed to the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3209.

This Securities Note, the Registration Document and the Summary Note have each been filed with, and approved by, the *Autoriteit Financiële Markten* (the “**AFM**”) in its capacity as competent authority under the *Wet op het financieel toezicht* (Financial Supervision Act). The Base Prospectus was filed with the AFM and approved by it on 16 May 2007. The Registration Document was filed with the AFM and approved by it on 16 May 2007. The following documents are deemed to be incorporated in, and to form part of, this Securities Note: (i) the List of Parties, (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus, (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus, (iv) the section headed “Taxation” in Chapter 1 of the Base Prospectus, (v) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus and (vi) the section headed “General Information” in Chapter 1 of the Base Prospectus. Terms used but not defined herein shall have the meanings given to them in the Base Prospectus. References in the Base Prospectus to “Final Terms” shall be deemed to be references to the Terms and Conditions of the Notes as set out in full in this Securities Note.

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

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

Structured securities such as the Notes involve a high degree of risk and are intended for sale only to those investors capable of understanding the risk entailed in such instruments. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk, and that they understand the nature of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance upon any information given in this Securities Note, the Summary Note, the Registration Document or the Base Prospectus. If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

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

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

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

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

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

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

RISK FACTORS

Investing in the Notes involves risks. The Notes are not principally protected and prospective investors risk losing their entire investment or part of it. See the “Risk Factors” section in the Summary Note and in Parts 1 and 2 of the “Risk Factors” section of Chapter 1 of the Base Prospectus (incorporated by reference into this Securities Note) for information on the risk factors to be taken into account when considering an investment in the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be attached to each global Note and which will be incorporated into each definitive Note.

This Note is one of a series of Notes issued by ING Bank N.V. (the “**Issuer**”, which expression shall include any Substituted Debtor pursuant to Condition 14) pursuant to the Agency Agreement (as defined below). References herein to the “**Notes**” shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, Specified Denominations of 1 unit per Note at an amount equal to the Strike Price, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes and the Coupons (as defined below) also have the benefit of an agency agreement dated 29 September 2006 (as modified, supplemented and/or restated as at the date of issue of the Notes, the “**Agency Agreement**”) and made among the Issuer, Postbank Groen N.V., ING Bank (Australia) Limited, ING (US) Issuance LLC, The Bank of New York, in alliance with ISSNL, as issuing and principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents).

The Notes do not have interest coupons (“**Coupons**”) attached. Any reference herein to “**Noteholders**” shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below.

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

Copies of the Agency Agreement applicable to this Note may be obtained from and are available for inspection at the specified offices of each of the Agent and the other Paying Agents and from the Issuer. Written or oral requests for such documents from the Issuer should be directed to it at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3209. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement which are binding on them.

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

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

1 Form, Denomination and Title

The Notes are senior notes in bearer form (“**Bearer Notes**”), and serially numbered, in Euro, in denominations of 1 unit per Note at an amount equal to the Strike Price. This Note does not bear interest.

Subject as set out below, title to the Bearer Notes will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent may deem and treat the bearer of any Bearer Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes are represented by a global Bearer Note held on behalf of Euroclear S.A./N.V., (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), each person

(other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Replacement Agent, the Agent and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “Noteholder” and “holder of the Notes” and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary or common safekeeper, will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent, but shall not include Euroclear Netherlands.

2 Status of the Notes

The Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been preferred by law.

3 Interest

The Notes do not bear interest.

4 Payments

(a) Method of Payment

Subject as provided below, payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Presentation of Notes

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Bearer Notes, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the State and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of principal in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Bearer Note (against presentation or surrender, as the case may be, of such global Bearer Note at the specified office of any Paying Agent outside the United States). A record of each payment made against presentation or surrender of such global Bearer Note, distinguishing between any payment of principal, will be made on such global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the

holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

(c) *Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day on which (subject to Condition 7) the TARGET system is open (where “**TARGET**” is the Trans-European Real-Time Gross Settlement Express Transfer system) and on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (A) the relevant place of presentation;
- (B) Amsterdam.

(d) *Interpretation of Principal*

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

- (i) the amount at which each Note will be redeemed on the Maturity Date of the Notes (“**Final Redemption Amount**”); and
- (ii) the redemption amount in respect of Notes payable on redemption for taxation reasons or following an Event of Default (“**Early Redemption Amount**”).

5 Redemption and Purchase

(a) *At Maturity*

Subject to Condition 18(a) below, unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed on 28 November 2008 (the “**Maturity Date**”) by the Issuer at its Final Redemption Amount:

- (i) If, during the Observation Period, the Price has never been less than the Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note (in the Specified Currency) calculated in accordance with the following formula:

$$\text{Strike Price} \times 114\%$$

- (ii) If, during the Observation Period, the Price has been less than the Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note (in the Specified Currency) calculated in accordance with the following formula:

$$\text{MIN}[\text{Strike Price} \times 114\% ; \text{Final Share Price}]$$

Where:

“**Barrier Level**” means 80% of the Lowest Barrier Price;

“**Lowest Barrier Price**” means the lowest price of one Share in the Share Currency quoted on the Exchange at the Valuation Time to occur during the period from and including the Strike Date to and including the Lookback Observation Date;

“**Lookback Observation Date**” means 17 July 2007; and

“**Specified Currency**” means Euro (€).

(b) *Redemption for Tax Reasons*

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

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

(c) *Early Redemption Amount*

For the purpose of paragraph (b) above and Condition 8, each Note will be redeemed at the Early Redemption Amount, which shall be an amount in euro equal to the fair economic value of a Note determined by the Calculation Agent in its sole and absolute discretion, taking into account the cost to the Issuer of amending or liquidating any financial instruments or transactions into by the Issuer in connection with the Note, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions.

(d) *Purchases*

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

(e) *Cancellation*

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

(f) *Redemption – Other*

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

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

6 Taxation

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

7 Prescription

The Notes will become void unless presented for payment within a period of five years after the date on which such payment first becomes due.

8 Events of Default relating to the Notes

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

- (i) default is made for more than 30 days in the payment of principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under section 3.5.5 of the *Wet op het financieel toezicht* (Financial Supervision Act); or
- (iv) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(c)), without presentment, demand, protest or other notice of any kind.

9 Transfer and Replacement of Notes

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

If any Note (including a global Note) is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Paying Agent in Luxembourg, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

10 Agent and Paying Agents

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

- (i) so long as the Notes are admitted to trading or listed on any stock exchange or admitted to trading or listed by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Paying Agent with a specified office situated outside The Netherlands; and
- (v) there will at all times be a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

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

11 Notices

All notices regarding the Bearer Notes shall be published in at least one daily newspaper of wide circulation in Germany and the Netherlands. Any such notice will be deemed to have been given on the date of the first publication in the newspaper in which such publication is required to be made.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in any newspaper or website the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed or admitted to trading on a stock exchange and the rules of that stock exchange so require (or any other relevant authority), such notice will be published in the manner required by the rules of that stock exchange (or such other relevant authority). Any such notice delivered on or prior to 4.00 p.m. (local time) on a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on such business day. A notice delivered after 4.00 p.m. (local time) on a business day in the city in which it is delivered will be deemed to have been given to the holders of the Notes on the next following business day in such city. Notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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

12 Meetings of Noteholders, Modification and Waiver

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

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

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

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

13 Further Issues

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

14 Substitution of the Issuer

- (a) The Issuer may, without any further consent of the Noteholders being required, when no payment of principal of any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “**Substituted Debtor**”) as principal debtor in respect of the Notes provided that:
 - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “**Guarantee**”) in favour of each Noteholder the payment of all sums payable in respect of the Notes;

- (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder by any political subdivision or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
 - (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
 - (iv) each stock exchange which has Notes listed or admitted to trading thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
 - (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;
 - (vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;
 - (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent; and
 - (viii) the Substituted Debtor (if not incorporated in England) shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes and the Documents.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder, except as

provided in Condition 14(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.

- (c) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (e) below having been given, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes save that any claims under the Notes prior to release shall enure for the benefit of Noteholders.
- (d) The Documents shall be deposited with and held by the Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
- (e) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 11.

15 Governing Law and Jurisdiction

The Notes are governed by, and shall be construed in accordance with, English law.

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

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

16 Contracts (Rights of Third Parties) Act 1999

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

17 Determinations by the Calculation Agent and/or the Issuer

For the purposes of the Notes, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Notes shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer

shall (save in the case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefore.

18 Share Linked Provisions

(a) *Disrupted Days*

If the Calculation Agent determines that the Strike Date, the Expiration Date or the Lookback Observation Date, as the case may be, is a Disrupted Day in respect of the Shares, then the Strike Date, the Expiration Date or the Lookback Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date or the Lookback Observation Date, as the case may be, is a Disrupted Day. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date or the Lookback Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or the Lookback Observation Date, payment of the Final Redemption Amount shall be postponed to the later of (i) the Maturity Date and (ii) the date that is three Business Days following the postponed Expiration Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount in accordance with this Condition 18(a).

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 11, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.

(b) *Adjustments, Consequences of Certain Events and Currency*

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred, the Issuer may:

- (x) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of amending or liquidating any financial instruments of transactions entered into by the Issuer in connection with the Note, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions, on such date as the Issuer may notify to Noteholders in accordance with Condition 11; and/or
- (y) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (z) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the “Shares” and the “Share Issuer”, respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

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

(iii) Consequences of a Tender Offer

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

- (x) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Note, together with any costs expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions, on such date as the Issuer may notify to Noteholders in accordance with Condition 11; and/or
- (y) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

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

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (x) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption

Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (y) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the costs to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Note, together with any costs expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 11.

(v) Change of Exchange

If the Exchange is changed, the Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(vi) Price Correction

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange within three Business Days after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the Terms and Conditions of the Notes to account for such correction.

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 11.

(viii) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the costs to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Note, together with any costs expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 11.

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of

the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

(c) *Definitions*

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

“Additional Disruption Event” means Change in Law and/or Insolvency Filing.

“Business Day” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the **“TARGET System”**) is open.

“Change in Law” means that, on or after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (x) it has become illegal for the Issuer to hold, acquire or dispose of the Shares, or (y) the Issuer will incur a materially increased cost in holding, acquiring or disposing of the Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“De-listing” means that an Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

“Disrupted Day” means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

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

“Exchange” means the stock exchange on which the Share is, in the determination of the Issuer, traded or quoted or any successor to the exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Share on such successor or substitute exchange or quotation system as on the original Exchange).

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

“Exchange Disruption” means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in

general (i) to effect transactions in, or obtain market values for, the Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any Related Exchange.

“Expiration Date” means 26 November 2008, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 18(a).

“Extraordinary Dividend” means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

“Final Share Price” means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date, as determined by the Calculation Agent.

“Insolvency” means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (i) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

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

“Issue Date” means 21 June 2007.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

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

“Merger Event” means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a **“Reverse Merger”**), in each case if the Merger Date is on or before the Expiration Date.

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

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

“Observation Period” means the period from (and including) the Strike Date to (and including) the Expiration Date.

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

“Potential Adjustment Event” means any of the following:

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

“Price” means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the Exchange at any given time on such Exchange Business Day, all as determined by the Calculation Agent.

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

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

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

“Share Currency” means Euro (€).

“Share Issuer” means BASF AG;

“Shares” means ordinary shares issued by the Share Issuer (ISIN: DE0005151005; Bloomberg code: BAS GY).

“Strike Date” means 18 June 2007, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 18(a).

“Strike Price” means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date, as determined by the Calculation Agent.

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

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

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

“Valuation Time” means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 18(a)) the Valuation Time shall be such actual closing time.

19. Listing and Admission to Trading Application

This Securities Note together with the Registration Document and Summary Note, comprise the Prospectus required to list and have admitted to trading the issue of Notes described herein pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., Postbank Groen N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V.

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

OTHER INFORMATION

1 OFFER PERIOD AND APPLICATION PROCESS

The subscription period for the Notes is from and including 2 May 2007 (09:00 CET) to and including 18 June 2007 (15:00 CET). The Issuer reserves the right to close the subscription earlier.

Investors may subscribe for the Notes through branches of the Issuer in the Netherlands and distributors from time to time appointed in Germany. Investors may not be allocated all of the Notes for which they apply. One of the reasons for such cancellation may be that the minimum amount of the issue specified in the prospectus has not been subscribed for. The offering of the Notes may, at the discretion of the Issuer, be cancelled at any time prior to the Issue Date. The size of the issue will be determined by the Issuer on the basis of allocations in its sole and absolute discretion.

2 DETAILS OF MINIMUM AND MAXIMUM AMOUNT OF APPLICATION

Not applicable, although investors may not be allotted all of the Notes for which they apply.

3 METHOD OF DISTRIBUTION

Direct issue by Issuer as principal.

4 FORM OF NOTES

New Global Note: no

Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only on the occurrence of an Exchange Event.

5 DISTRIBUTION

- | | |
|---|--|
| (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| (ii) If non-syndicated, name and address of relevant Dealer: | Not Applicable. Direct issue by Issuer as principal. |
| (iii) Total commission and concession: | Up to 0.5 per cent. subscription fee may be payable by investors. |
| (iv) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D rules applicable. |
| (v) Additional selling restrictions: | Not Applicable |
| (vi) Simultaneous offer: | Not Applicable |
| (vii) Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: | Investors will be notified of the amount of Notes allotted to them either directly by the Issuer or through their financial intermediaries. Dealings in the Notes will not begin until 21 June 2007. |

6 LISTING

- | | |
|---|---|
| (i) Listing: | Freiverkehr segment of the Frankfurt Stock Exchange. |
| (ii) Admission to trading: | ING Bank intends to apply for the Notes to be admitted to trading on the Freiverkehr segment of the Frankfurt Stock Exchange. |
| (iii) Estimate of total expenses related to admission to trading: | EUR 200 |

7 RATINGS

Ratings: The Notes will not be rated.

8 NOTIFICATION

The Netherlands Authority for Financial Markets has provided the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) with a certificate of approval attesting that the Registration Document, Securities Note and Summary Note have been drawn up in accordance with the Prospectus Directive.

9 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

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

10 INFORMATION CONCERNING THE UNDERLYING

The return on the Notes is linked to the performance of the underlying Share (ISIN: DE0005151005; Bloomberg code: BAS GY). The prices of the Share may go down as well as up throughout the life of the Notes. Fluctuations in the prices of the Share will affect the value of the Notes.

Details of the past and future performance of the underlying Share and its volatility can be obtained from the website of the Share Issuer: www.basf.com.

11 RESULTS OF THE OFFER

Results of the offer will be published by the Issuer on www.ingderivatives.com, www.ingstructuredproducts.nl and www.ingderivatives.de upon closing of the subscription period (which is expected to be 18 June 2007, although the Issuer reserves the right to close the subscription period earlier).

12 POST ISSUANCE INFORMATION

The Issuer will use its best endeavours to provide post issuance information in relation to the Notes which will be published by the Issuer on www.ingderivatives.com, www.ingstructuredproducts.nl and www.ingderivatives.de.

13 OPERATIONAL INFORMATION

(i)	Intended to be held in a manner which would allow Eurosystem eligibility	No
(ii)	ISIN Code:	XS0296562233
(iii)	Common Code:	029656223
(iv)	Fondscore:	Not Applicable
(v)	WKN Code:	A0N6GB
(vi)	Other relevant code:	Not Applicable
(vii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> /Euroclear Netherlands and the relevant identification number(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i>
(viii)	Delivery:	Delivery against payment
(ix)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(x)	Name and address of Calculation Agent (if other than the Issuer):	Not Applicable

14 ISSUE PRICE

The issue price of the Notes is an amount, per Specified Denomination of 1 unit, equal to the Strike Price. The issue price will be published by the Issuer on www.ingderivatives.com, www.ingstructuredproducts.nl and www.ingderivatives.de upon on 18 June 2007 (or as soon as possible thereafter).