

OFFERING CIRCULAR



RABOBANK STRUCTURED PRODUCTS

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

Leveraged Certificates, Warrants and Certificates Programme

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

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

The Securities may be issued in uncertificated book entry form and registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Netherlands**). No physical global or definitive certificates will be issued in respect of the Securities. The Securities are issued subject to and in accordance with the Terms and Conditions herein, and are further subject to the Netherlands Securities Giro Act (*Wet giraal effectenverkeer*) and the Terms and Conditions (Book I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the **Regulations**). The right to request delivery (*uitlevering*) of Securities is excluded. If Securities are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, such series of Securities will, on issue be constituted by a permanent global security (the **Global Security**), which will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg. No definitive Certificates will be issued in respect of Securities constituted by a Global Security. Each issue of Leveraged Certificates will be issued on the terms set out herein which are relevant to such Leverage Certificates under 'Terms and Conditions of the Leveraged Certificates' on pages 34-43; each issue of Warrants will be issued on the terms set out herein which are relevant to such Warrants under 'Terms and Conditions of the Warrants' on pages 129-153; and each issue of Certificates will be issued on the terms set out herein which are relevant to such Certificates under 'Terms and Conditions of the Certificates' on pages 205-236 and, in each case, on such additional terms as will be set out in the applicable Final Terms (the **Final Terms**).

An investment in Securities issued under the Programme involves certain risks. For a discussion of these risks see 'Risk Factors' on pages 9-28.

This Offering Circular is a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the **Financial Supervision Act**) and regulations thereunder (together **Dutch securities laws**) and has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or **AFM**), in its capacity as competent authority under the Dutch securities laws, in accordance with the provisions of the

Prospectus Directive and the Dutch securities laws on 24 September 2009. Application may be made for Securities issued under the Programme within twelve (12) months of the date of this Offering Circular to be admitted for trading on Euronext Amsterdam by NYSE Euronext (**Euronext Amsterdam**).

Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). References in this Programme to Securities being 'listed' (and all related references) shall mean that such Securities have been admitted to a regulated market. In addition, Securities may be listed or admitted to trading, as the case may be, on any other stock exchange or market and unlisted Securities may also be issued pursuant to the Programme. The applicable Final Terms to this Offering Circular in respect of the issue of any Securities will specify whether such Securities will be listed on Euronext Amsterdam (or any other stock exchange) or whether the Securities will not be listed. In relation to each separate issue of Securities, the price and amount of such Securities will be determined by the Issuer and the relevant Dealer(s) in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the applicable Final Terms.

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

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

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) or any U.S. State securities laws, and may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or the benefit of, U.S. Persons (as such term is defined in Regulation S of the Securities Act) unless the Securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

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

Dealer

RABOBANK INTERNATIONAL

The date of this Offering Circular is 24 September 2009.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular. Any decision to invest in any Securities should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference, by any investor. The Issuer has civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated. Words and expressions defined in Terms and Conditions of the Securities below shall have the same meanings in this summary.

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

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

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

Activities: Rabobank, founded over a century ago, is one of the largest banking groups in the Netherlands and ranks in the top 25 banking institutions in the world in terms of Tier I capital. The Group is a cooperative banking organisation comprised of Rabobank Nederland (a cooperative entity licensed as a credit institution in the Netherlands), Rabobank Nederland’s local member credit institutions (the ‘Local Rabobanks’) and numerous specialised finance and other subsidiaries. A system of cross guarantees provides for intra-Group credit support among Rabobank Nederland, all Local Rabobanks and certain subsidiaries in the event of a shortfall in assets in one of the entities. In the Netherlands, the Rabobank Group follows an ‘Allfinanz’ concept, meaning that it provides an integrated range of financial services comprised primarily of retail banking, wholesale banking and international retail banking, asset management and investment, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As an Allfinanz provider, the Group focuses on operations that produce fee-based income in addition to the Group’s traditional interest-based income sources. For example, Rabobank is active in asset management through Robeco Group N.V., the largest retail investment manager in the Netherlands in terms of assets under management, in which Rabobank Nederland currently owns a 100 per cent. equity interest. Internationally, Rabobank pursues a niche strategy in investment and international corporate banking through Rabobank International. At 30 June 2009, the Rabobank Group operated in the Netherlands through 152 Local Rabobanks, nearly 1,100 branches of Local Rabobanks and more than 3,000 cash-dispensing machines.

Rabobank’s current ratings from Moody’s and Standard & Poor’s are Aaa and AAA respectively.

At 30 June 2009, the Rabobank Group had total assets of € 615.4 billion, a private sector loan portfolio of € 415.2 billion, amounts due to customers of € 284.9 billion, saving deposits of € 119.7 billion and equity of € 36.9 billion. Of the private sector loan portfolio, € 197.3 billion, virtually all of which are mortgages, consists of loans to private individuals, € 147.7 billion of loans to the trade, industry and services sector and € 70.3 billion of loans to the food & agri sector. At 30 June 2009, its Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 13.0%. In the first half of 2009, the Rabobank Group's efficiency ratio was 59.1%, and the return on equity, or net profit expressed as a percentage of core capital, was 8.7%. In the first half of 2009, the Rabobank Group realised a 18% decrease in net profit to € 1.3 billion and a RAROC or the risk-adjusted return on capital, of 11.8% after tax. At 30 June 2009, the Rabobank Group had 60,490 full-time employees.

Description: Leveraged Certificates, Warrants and Certificates Programme

Date: 24 September 2009

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

Fiscal Agent: Means either (i) the Issuing and Paying Agent if the Securities are or will be deposited with a Clearing System other than Euroclear Netherlands or (ii) the Euroclear Netherlands Fiscal Agent if the Securities are or will be solely deposited with Euroclear Netherlands.

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

Issue Price: Securities may be issued at their aggregate nominal amount or at a discount or premium to their aggregate nominal amount. Partly Paid Securities may be issued, the issue price of which will be payable in two or more instalments.

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

Currencies: Subject to compliance with all applicable legal or regulatory restrictions, Securities may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

Maturities: Such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to compliance with all relevant laws, regulations and directives. Securities may be issued with any maturity between seven days and perpetuity.

Denomination: Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and will be specified in the applicable Final Terms. Registered Securities will be in amounts of the denomination or integral multiples thereof specified in the applicable Final Terms.

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

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

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

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Securities.

Currency Linked Securities:

Currency Linked Interest Securities: Payments of interest in respect of Currency Linked Interest Securities will be calculated and made in such currencies, and by reference to such rates of exchange and/or such formula, as may be agreed between the Issuer and the relevant Dealer(s) as specified in the applicable Final Terms and/or the Schedule thereto.

Currency Linked Redemption Securities: Payments of the cash settlement amount/redemption amount in respect of Currency Linked Redemption Securities will be calculated and made in such currencies, and by reference to such rates of exchange and/or such formula, as may be agreed between the Issuer and the relevant Dealer(s) as specified in the applicable Final Terms and/or the Schedule thereto.

Commodity Linked Securities:

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

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

Index Linked Securities:

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

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

Share Linked Securities:

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

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

Fund Linked Securities:

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

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

Debt Linked Securities

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

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

Future Linked Securities:

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

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

Status of Securities: The Securities will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in ‘Terms and Conditions of the Securities – Status of the Securities’.

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

Taxation: Rabobank Nederland is a Dutch resident for tax purposes. For the Dutch, Belgian and Luxembourg tax consequences for the Securities holders, see ‘Taxation’.

Governing Law: Dutch law.

Listing and admission to trading: Application may be made to Euronext Amsterdam for Securities issued pursuant to the Programme and up to the expiry of twelve (12) months from the date of this Offering Circular to be admitted to trading on Euronext Amsterdam.

The Securities may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Securities may also be issued. The applicable Final Terms will state whether or not the Securities are to be listed or admitted to trading, as the case may be, and, if so, on which stock exchange and/or market.

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

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

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

RISK FACTORS

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

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

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

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

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

Business and general economic conditions

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

Credit risk

Credit risk is the risk that a client defaults on its obligations to pay sums due. In order to minimise this risk, Rabobank Group pursues a prudent policy for accepting new clients, characterised by careful assessment of

clients and their ability to make repayments. Rabobank's Group grants loans only if it is expected that a client can fully meet its obligations. Rabobank's portfolio is divided across a large number of business sectors. This creates a large and balanced risk diversification, so that the quality of the credit loan portfolio should not significantly deteriorate if one or more business sectors go through a difficult period or are adversely affected by the current economic recession. Approval of larger financing applications is decided on by various committees, the level of the applicable committee depending on the amount of total exposure including the requested financing. The Executive Board decides on the largest financing applications.

EAD (Exposure at Default), PD (Probability of Default) and LGD (Loss Given Default) are important Basel II parameters that are increasingly being used in the context of credit risk management, and it is partly on these parameters that Rabobank Group determines the economic capital and the RAROC (Risk-Adjusted Return On Capital).

The use of Basel II parameters and RAROC supports credit analysts and credit committees in making wellconsidered decisions. Every entity of Rabobank Group has determined a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications. The EAD is defined as the Bank's exposure to the client in the case of a default. At the end of 2008, the EAD of Rabobank Group's credit portfolio amounted to € 515 billion (2007: € 465 billion). The EAD includes the potential future usage of unused credit lines. In its financing approval process, Rabobank Group uses the Rabobank risk rating, which reflects the counterparty's PD over a one-year period. Counterparties have been assigned to one of 25 rating classes, including four default ratings. The final four categories are used if the customer defaults, and cover situations varying from payment arrears of 90 days to bankruptcy.

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

Bad debt costs/average private sector lending ratio

At Rabobank Group level, the average for bad debt costs as a percentage of private sector lending during the past 10 years was 21 basis points, while for the first half of 2009 it was 55 basis points on an annual basis. For the wholesale and international retail banking operations, the bad debt costs as a percentage of private sector lending increased from 51 basis points in the first half of 2008 to 123 basis points in the first half of 2009, mainly due to the economic downturn. The Irish real estate sector was particularly affected in 2008 and in the first half of 2009. For the domestic retail operations, this ratio increased from -8 basis points in the first half of 2008 to 34 basis points in the first half of 2009. The ratio for the leasing portfolio increased from 62 basis points in the first half of 2008 to 133 basis points in the first half of 2009. Continuing adverse financial conditions in the Netherlands or the Rabobank Group's other major markets could further increase the Rabobank Group's bad debt costs, which could have a material adverse effect on the Rabobank Group's results of operations.

Country risk

With respect to country risk, a distinction is made between transfer risk and collective debtor risk. Transfer risk relates to the possibility of foreign governments placing restrictions on funds transfers from debtors in that country to creditors abroad. Collective debtor risk relates to the situation in which a large number of debtors in a country cannot meet their commitments for the same reason (e.g. war, political and social unrest or natural disasters, but also government policy that does not succeed in creating macro-economic and financial stability). Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

Transfer limits are determined according to the net transfer risk, which is defined as total loans granted, less loans granted in local currency, less guarantees and other collateral obtained to cover transfer risk, and less a reduced weighting of specific products. The limits are allocated to the offices, which are themselves responsible for day-to-day monitoring of the loans granted by them and for reporting on this to Group Risk Management.

At Rabobank Group level, the country risk outstanding, including additional capital requirements and provisions for country risks, is reported every quarter to the Balance Sheet and Risk Management Committee Rabobank Group ('BRMC-RG') and the Country Limit Committee. The calculation of additional capital requirements and provisions for country risk are made in accordance with internal guidelines and concern countries with a high transfer risk.

At 31 December 2008, the net transfer risk before provisions for non-OECD countries was 1.2% (2007:1.2%).

Interest rate risk

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

Funding and liquidity risk

Liquidity risk is the risk that not all (re)payment commitments can be met. This could happen if clients or other professional counterparties suddenly withdraw more funding than expected, which cannot be met by the Rabobank Group's cash resources or by selling or pledging assets or by borrowing funds from third parties.

In addition to having a diversified funding base, maintaining appropriate levels of central bank-eligible collateral and limiting net cash outflows, methods of managing and measuring liquidity risk include the CA/CL method (Core Assets/Core Liabilities). This analysis is based on the cash flow schedule of assets and liabilities. A quantification is made of the assets (and unused facilities) and liabilities that will probably still be or come onto the balance sheet after a defined stress scenario has taken place. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities respectively. The CA/CL ratio is the liquidity ratio. Given the weightings used, a ratio of below 1.2 is considered adequate. In 2008, this was the case for the scenarios used.

Market risk

Market risk relates to changes in the value of the trading portfolio as a result of price movements in the market. Price changes include prices of interest rate products (interest rate), equities, currencies, certain commodities and derivatives. The exposure is calculated and consolidated on a daily basis and managed using a sophisticated system of limits. At a consolidated level, the exposure is expressed by the 'Value at Risk'. This measure, based on historic market developments, indicates the maximum loss that Rabobank Group can suffer subject to a certain confidence level and in 'normal' market conditions. The level of the Value at Risk reflects market developments and the positions taken by the Rabobank Group itself.

In order to understand the maximum potential risk, the effect of certain extreme events ('event risk') on the value of the portfolios is calculated. To this end, both actual and hypothetical scenarios are analysed. Sensitivity analyses are also used.

In 2008, the Value at Risk fluctuated between € 31 million and € 58 million, with an average of € 39 million. Although positions were reduced, the instability in the financial markets in the latter half of 2008 resulted in a

substantial rise in the Value at Risk. The value of the Rabobank Group's trading portfolio is affected by the factors above. A deterioration in the value of the Rabobank Group's trading portfolio could have a material adverse effect on the Rabobank Group's results of operations

Currency risk

Currency risk positions can be found in both trading and non-trading books. As is the case with other market risks, the currency risk in the trading books is controlled using Value at Risk limits. Currency risk in the non-trading books relates exclusively to the translation risk on capital invested in foreign activities and issues of trust preferred Securities not denominated in euro. Translation risk is the risk that exists when assets or liabilities are denominated in a currency deviating from the presentation currency.

Operational risk

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

Exercise Risk

Exercise risk is the risk that the Issuer is unable to effect the transactions contemplated as a result of any applicable laws, regulations and practices in force on the relevant Exercise Date.

Legal Risk

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

Tax Risk

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

Effect of governmental policy and regulation

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

In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. This may affect the competitive environment in which the Rabobank Group operates in the Netherlands.

Factors which are material for the purpose of assessing the market risks associated with Securities issued pursuant to the Programme

The Securities may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with the cash settlement amount/redemption amount or interest payable in one or more currencies, or where the currency for the cash settlement amount/redemption amount or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

No interest may be payable under the Securities

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

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

Risks related to Leveraged Certificates

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

The price at which a Certificateholder will be able to sell Leveraged Certificates may be at a potentially substantial discount to the market value of the Leveraged Certificates at the relevant Issue Date of the Leveraged Certificates, if, at such time and in addition to certain other factors, the value of the Underlying is at an unfavourable level. Leveraged Certificates track the Underlying in a linear manner. The amount needed to invest in a Leveraged Certificate to give the same participation rate in the Underlying as a direct investment in the Underlying is considerably less. Therefore, the percentage gain if the Underlying rises (in the case of a Long Leveraged Certificate (as defined below)) or falls (in the case of a Short Leveraged Certificate (as defined below)) and the percentage loss if the Underlying falls or rises, respectively, is higher in Leveraged Certificates than in a direct investment in the Underlying (the **Leverage Effect**). Investors should be aware that the Leverage Effect from holding Leveraged Certificates could result in gaining or losing a greater percentage of an investment than would occur through a direct investment in the Underlying. The maximum loss to the investor is the initial amount invested. Investors must expect to suffer a loss if the market price or value of the Underlying falls (in the case of Long Leveraged Certificates) or rises (in the case of Short Leveraged Certificates). A feature of Leveraged Certificates is the Stop Loss Event which will result in the early termination of the certificate.

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

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

The Issuer may, among other things, cancel an offer for, or decline an application to subscribe for, Leveraged Certificates at any time prior to the relevant Issue Date. Although the Issuer will generally seek to have an expected issue of Leveraged Certificates admitted to trading on Euronext Amsterdam on an 'as-if-and-when-issued' basis on or about the relevant Trade Date, prospective investors in Leveraged Certificates should not

rely on trading on this basis as a commitment by the Issuer to accept an application to subscribe for Leveraged Certificates or to refrain from withdrawing, cancelling or otherwise modifying an offer of Leveraged Certificates. A prospective investor submitting an application to subscribe for Leveraged Certificates will be notified of the acceptance or otherwise of such application only on or around the Issue Date.

Risks related to Warrants

Investment in Warrants involves a high degree of risk

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

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

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

Warrants are Unsecured Obligations

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

Certain Factors Affecting the Value and Trading Price of Warrants

The Cash Settlement Amount (in the case of Cash Settled Warrants and) or the difference in the value of the Entitlement and the Exercise Price (the **Physical Settlement Value**) (in the case of Physical Delivery Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the 'time value' of the Warrants. The 'time value' of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price level of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms, as well as a result of a number of other interrelated factors, including those specified herein. Before exercising or selling Warrants, Warrantholders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Warrants, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the reference security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other basis of reference as specified in the applicable Final Terms and (viii) any related transaction costs.

Limitations on Exercise

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

Minimum Exercise Amount

If so indicated in the applicable Final Terms, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there

may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

Effect of Credit Rating Reduction

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

Time Lag after Exercise

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

Certain Additional Risk Factors Associated with Currency Warrants

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

Risks related to the structure of a particular issue of Securities

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

Securities subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to

do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Currency Linked Securities

The Issuer may issue Currency Linked Securities where the settlement amount/redemption amount and/or interest payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated. Accordingly, an investment in Currency Linked Securities may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly. An investment in Currency Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Currency Linked Securities should be aware that depending on the terms of the Currency Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time or in a different currency than expected and (iii) except in the case of principally protected Securities, they may lose all or a substantial portion of their investment if the currency exchange rates do not move in the anticipated direction.

In addition, the movements in the level of the currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the currency exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the currency exchange rates, the greater the effect on yield.

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

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Linked Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Linked Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and settlement currency of the Securities. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see "*Exchange rate risks and exchange controls*" below).

Commodity Linked Securities

The Issuer may issue Securities where the amount of the cash settlement amount/redemption amount and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on redemption the Issuer may be obliged to deliver specified assets.

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

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

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

Index Linked Securities

The Issuer may issue Index Linked Securities where the settlement amount/redemption amount and/or interest payable are dependent upon the level of an index or indices. The index or indices may comprise of reference equities, bonds, other securities, property, currency exchange rate or other assets or bases of reference, and may be a well known and widely published index or indices or an index or indices established by the Issuer or another entity which may not be widely published or available. Accordingly, an investment in Index Linked Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly. An investment in Index Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Index Linked Securities should be aware that depending on the terms of the Index Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time or in a different currency than expected and (iii) except in the case of principally protected Securities, they may lose all or a substantial portion of their investment if the value of the share(s) do not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of the index or indices, the greater the effect on yield.

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

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

Share Linked Securities

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

Potential investors in Share Linked Securities should be aware that depending on the terms of the Share Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time or in a different currency than expected and (iii) except in the case of principally protected Securities, they may lose all or a substantial portion of their investment if the value of the share(s) do not move in the anticipated direction.

In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share or shares may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the share or shares, the greater the effect on yield.

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

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

Fund Linked Securities

General

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

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

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

The market price of unit(s) or fund share(s) may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of fund share(s) or unit(s) and may be affected by the performance of the fund service providers, and in particular the investment adviser. The price of unit(s) or fund share(s) may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

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

The Issuer has no role in the Reference Fund. The Fund Manager and/or the Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Reference Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which a Reference Fund is managed and the timing of such decisions will have a significant impact on the performance of the Reference Fund. Hence, the price which is used to calculate the performance of the Reference Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Reference Fund. These risks include¹:

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

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

Use of estimates

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

¹ 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

Changing value

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

Prospective purchasers of the Securities have no rights with respect to the Reference Fund or Fund Interest(s) or Fund Share(s) in the Reference Fund

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

Debt Linked Securities

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

Potential investors in Debt Linked Securities should be aware that depending on the terms of the Debt Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of principally protected Securities, they may lose all or a substantial portion of their investment if the value of the debt instrument(s) do not move in the anticipated direction.

In addition, the movements in the price of the debt instrument(s) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the debt instrument(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the debt instrument(s), the greater the effect on yield.

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

The market price of Debt Linked Securities may be volatile and may be affected by the time remaining to the redemption date or exercise date (as applicable), the volatility of the debt instrument(s) and the financial results and prospects of the issuer or issuers of the relevant debt instrument(s) as well as economic, financial

and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such debt instrument(s) may be traded.

Futures Linked Securities

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

Potential investors in Futures Linked Securities should be aware that depending on the terms of the Futures Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time or in a different currency than expected and (iii) except in the case of principally protected Futures, they may lose all or a substantial portion of their investment if the value of the future(s) do not move in the anticipated direction.

In addition, the movements in the price of the future or basket of futures may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the future or futures may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the future or futures, the greater the effect on yield.

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

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

Securities may not be principal protected

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

Leverage

Prospective investors should note that the Securities may expose investors to a substantial degree of leverage. This leverage offers the potential for significant profits but also entails a high degree of risk, including the risk of substantial reduction in value of the underlying.

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Early maturity

Prospective investors should understand that on the occurrence of certain specified events, the Issuer may redeem the Securities early.

Variable rate Securities with a multiplier or other leverage factor

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

Fixed/Floating Rate Securities

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

Securities issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

No claim against any Reference Item

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

An investment in Securities linked to one or more Reference Items may entail significant risks not associated with investments in conventional Securities, including but not limited to the risks set out in this section¹. The amount paid or value of the specified assets delivered by the Issuer on redemption of such Securities may be less than the principal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero.

Potential conflicts of interest in relation to hedging

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

¹ 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

Other potential conflicts of interest

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

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

The Issuer and/or any of its Affiliates may have existing or future business relationships with an issuer or issuers of any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Securities holder.

Risks related to Securities generally

Set out below is a brief description of certain risks relating to the Securities generally¹:

Modification, waivers and substitution

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

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

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established 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 including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended

¹ 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

version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

Change of law

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

Loss of principal

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

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk¹:

The secondary market generally

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

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities.

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

¹ 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

Interest rate risks

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

Credit ratings may not reflect all risks

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

Legal investment considerations may restrict certain investments

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been filed with the AFM (in its capacity as competent authority under the Dutch Securities Act, the **Competent Authority**) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (i) the audited statutory financial statements of Rabobank Nederland for the years ended 31 December 2006, 2007 and 2008 (together with the explanatory notes and the auditor's reports in respect thereof);
- (ii) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2006, 2007 and 2008 (together with the explanatory notes and the auditor's report and the assurance report in respect thereof);
- (iii) the unaudited interim report of Rabobank Group for the year 2009 (together with the auditor's review report on the financial information in respect thereof); and
- (iv) the most recent articles of association of the Issuer.

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

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above, in which case the modified or superseding version of such document shall be provided. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available, without charge, from the principal office in the Netherlands of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Croeselaan 18, 3521 CB Utrecht, The Netherlands.

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

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new Offering Circular will be prepared.

IMPORTANT INFORMATION

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

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

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

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

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

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

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Securities should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own

independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the terms of such Securities (see 'Risk Factors').

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

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

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

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

The Issuer maintains its financial books and records and prepares its financial statements in euro in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Commission, which differ in certain important respects from generally accepted accounting principles in the United States (U.S. GAAP).

All figures in this Offering Circular have not been audited, unless stated otherwise, and are internal figures of Rabobank Nederland or Rabobank Group. The financial data in this Offering Circular has been extracted from

the audited consolidated financial statements of Rabobank Group, the annual report of Rabobank Group for the year 2008, unless stated otherwise.

All references in this document to 'US \$', 'U.S. Dollars' and 'USD' are to the lawful currency of the United States of America, to 'GBP' are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland and to '€', 'euro' and 'EUR' are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

GENERAL DESCRIPTION OF THE PROGRAMME

Pursuant to the Programme, the Issuer may from time to time issue Securities denominated in any currency agreed by the Issuer and the relevant Dealer(s) having maturities of one (1) week or longer (or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). A description of the terms and conditions of the Programme and the Securities appears below. The applicable terms of any Securities will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Securities and will be set out in the Terms and Conditions of the Securities endorsed on, attached to, or incorporated by reference into, the Securities, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Securities, as more fully described under 'Terms and Conditions of the Securities' below.

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

SECTION A: TERMS AND CONDITIONS OF THE LEVERAGED CERTIFICATES

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

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the **Issuer**) may from time to time issue exercisable certificates (such exercisable certificates being hereinafter referred to as the **Leveraged Certificates**) issued pursuant to an Agency Agreement dated as of 24 September 2009 (as modified, supplemented and/or restated as at the issue date of the Leveraged Certificates, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the **Issuing and Paying Agent**, which expression shall include any additional or successor Issuing and Paying Agent) and the other Paying Agents named therein (together with the Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor Paying Agents).

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

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

The applicable Final Terms for the Leveraged Certificates supplement these General Leveraged Certificates Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Leveraged Certificates Conditions, supplement, replace or modify these General Leveraged Certificates Conditions for the purposes of the Leveraged Certificates. References herein to the 'applicable Final Terms' are to the Final Terms related to a specific issue of Leveraged Certificates registered with Euroclear Netherlands.

Copies of the Agency Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of the Issuer.

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

Each Certificateholder (as defined in General Leveraged Certificates Condition 1(C)) is entitled to the benefit of and is deemed to have notice of and is bound by all the provisions of the Agency Agreement (insofar as they relate to the Leveraged Certificates) and the applicable Final Terms, which are binding on them.

1 Type, Title and Transfer

(A) Type

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

(B) Title to Leveraged Certificates

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

(C) Transfers of Leveraged Certificates

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

(D) Payments in respect of Leveraged Certificates

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

Transfers of Leveraged Certificates may not be effected after (i) the exercise of such Leveraged Certificates pursuant to General Leveraged Certificates Condition 4, (ii) the date upon which the Issuer gives notice to the Certificateholders of the occurrence of a Stop Loss Event; or (iii) the date upon which the Issuer gives notice to the Certificateholders of its intention to terminate the Leveraged Certificates as a result of an Issuer Call.

Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Issuing and Paying Agent from time to time and notified to the Certificateholders in accordance with General Leveraged Certificates Condition 8.

(E) Delivery of Leveraged Certificates

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

2 Status of the Leveraged Certificates

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

3 Exercise and Termination; Cash Settlement

(A) Exercise

Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Leveraged Certificates are exercisable on any Exercise Date by delivery of a Notice prior to the Exercise Time on an Exercise Date.

(B) Stop Loss Event

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

(C) Issuer Call

The Issuer may terminate, subject to a valid Exercise or a Stop Loss Event, the Leveraged Certificates, in whole but not in part, on any Business Day by giving Certificateholders at least the Issuer Call Notice Period notice of its intention to terminate the Leveraged Certificates, such notice to be given at any time from and including the Issuer Call Commencement Date. Any such notice shall be given in accordance with General Leveraged Certificates Condition 8, and shall specify the Issuer Call Date and Settlement Date.

(D) Cash Settlement

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

- (i) the Exercise Cash Settlement Amount, following a valid Exercise;
- (ii) the Stop Loss Cash Settlement Amount, following a Stop Loss Event; or
- (iii) the Issuer Call Cash Settlement Amount, following a valid Issuer Call.

Each of the Exercise Cash Settlement Amount, the Issuer Call Cash Settlement Amount and the Stop Loss Cash Settlement Amount is hereinafter referred to as a 'Cash Settlement Amount'. The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each Leveraged Certificate to the Certificateholder's account for value on the Settlement Date.

(E) General

The Calculation Agent shall give notice to the holders of the Leveraged Certificates, in accordance with General Leveraged Certificates Condition 8, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Leveraged Certificates.

4 Exercise Procedure

(A) Notice

Leveraged Certificates may only be exercised by the delivery of a duly completed notice (a **Notice**) in the form set out in the Agency Agreement (copies of which form may be obtained from Euroclear Netherlands and the Paying Agents during normal office hours) to Euroclear Netherlands with a copy to the Issuing and Paying Agent in accordance with the provisions set out in General Leveraged Certificates Condition 3 and this General Leveraged Certificates Condition.

The Notice shall (among other things):

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

(B) Verification of the Certificateholder

Upon receipt of a Notice, Euroclear Netherlands shall verify that the person exercising the Leveraged Certificates is the holder thereof according to the books of Euroclear Netherlands. Subject thereto, Euroclear Netherlands will confirm to the Issuing and Paying Agent the series number and number of Leveraged Certificates being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. Euroclear Netherlands will on or before the Settlement Date debit the account of the relevant Certificateholder with the Leveraged Certificates being exercised. Upon exercise of less than all the Leveraged Certificates, a depository or common depository for the relevant clearing system(s) will, on the instructions of, and on behalf of, the Issuing and Paying Agent, note such exercise and the number of Leveraged Certificates so constituted shall be reduced by the cancellation pro tanto of the Leveraged Certificates so exercised.

(C) Determinations

Any determination as to whether a Notice is duly completed and in proper form shall be made by Euroclear Netherlands in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Certificateholder. Subject as set out below.,

any Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent immediately after being delivered or sent to Euroclear Netherlands as provided in paragraph (A) above, shall be null and void.

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

Any Leveraged Certificate with respect to which the Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in General Leveraged Certificates Condition 3(A) shall become void. Neither the Issuer nor the Paying Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether a Notice is complete or in proper form or the notification of such determination to a Certificateholder.

(D) Delivery of a Notice

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

(E) Exercise Risk

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

(F) Minimum and Maximum Number of Leveraged Certificates Exercisable

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

5 Illegality and Force Majeure

(A) Illegality

If the Issuer determines that the performance of its obligations under the Leveraged Certificates or any arrangement made to hedge its obligations thereunder has become illegal or otherwise prohibited in whole or in part for any reason, the Issuer may cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 8. Should any one or more of the provisions contained in these General Leveraged Certificates Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby. If the Issuer cancels the Leveraged Certificates then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which amount shall be the fair market value of a Leveraged Certificate notwithstanding such illegality or prohibition less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the

Calculation Agent. Payment will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 8.

(B) Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Certificates and/or any related hedging arrangements, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Leveraged Certificates Condition 8.

If the Issuer redeems the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Certificate held by such Holder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

6 Purchases

The Issuer may at any time purchase Leveraged Certificates at any price in the open market or by tender or private agreement. Any Leveraged Certificates so purchased may be held or resold or surrendered for cancellation.

7 Agents, Determinations, Meetings Provisions and Modifications

(A) Paying Agents

The specified offices of the Paying Agents are as set out at the end of these General Leveraged Certificates Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint further or additional Paying Agents, provided that no termination of appointment of the Issuing and Paying Agent shall become effective until a replacement Issuing and Paying Agent shall have been appointed and provided that, so long as any of the Leveraged Certificates are listed or admitted to trading on a stock exchange, there shall be a Paying Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Paying Agent will be given to Certificateholders in accordance with General Leveraged Certificates Condition 8. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders and any determinations and calculations made in respect of the Leveraged Certificates by any Paying Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Certificateholders.

(B) Calculation Agent

In relation to each issue of Leveraged Certificates, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Certificateholders. For the purposes of the Leveraged Certificates, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Leveraged Certificates 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 therefor.

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

(C) Determinations

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

(D) Meetings of Holders

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

(E) Modifications

The Issuer may modify these General Leveraged Certificates Conditions and/or the Agency Agreement without the consent of the Certificateholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Certificateholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Certificateholders in accordance with General Leveraged Certificates Condition 8 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

8 Notices

All notices to Certificateholders shall be valid if delivered to Euroclear Netherlands for communication by them to the holders of the Leveraged Certificates and, in addition, for so long as any Leveraged Certificates are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or other relevant authority). Notice shall be deemed to have been given to the holders of the Leveraged Certificates on the first day after the day on which the said notice was given to Euroclear Netherlands.

9 Expenses and Taxation

- (A) A holder of Leveraged Certificates must pay all Expenses relating to such Leveraged Certificates as provided above.
- (B) 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, exercise or enforcement of any Leveraged Certificate 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.

10 Further Issues

The Issuer shall be at liberty from time to time without the consent of Certificateholders to create and issue further Leveraged Certificates so as to be consolidated with and form a single series with the outstanding Leveraged Certificates.

11 Substitution of the Issuer

- (A) The Issuer or any previous substitute of the Issuer under this Condition may, without any further consent of the Certificateholders being required, substitute any directly or indirectly wholly owned subsidiary of the Issuer (the **Substitute Obligor**) as principal obligor in respect of the Leveraged Certificates provided that:
 - (i) such documents shall be executed by the Substitute Obligor and the Issuer or any previous substitute as may be necessary to give full effect to the substitution (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substitute Obligor shall undertake in favour of each Certificateholder to be bound by the General Leveraged Certificates Conditions and the provisions of the Agency Agreement as fully as if the Substitute Obligor had been named in the Leveraged Certificates and the Agency Agreement as the principal obligor in respect of the Leveraged Certificates in place of the Issuer or any previous substitute and pursuant to which the Issuer shall irrevocably and unconditionally guarantee, (the **Guarantee**) in favour of each Certificateholder the performance by the Substituted Obligor of all obligations under the Leveraged Certificates;
 - (ii) the Documents shall contain a covenant by the Substituted Obligor and the Issuer to indemnify and hold harmless each Certificateholder 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 General Leveraged Certificates 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 Certificateholder by any political subdivision or taxing authority of any country in which such Certificateholder 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 Substitute Obligor and the Issuer (a) that each of the Substitute Obligor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Guarantee in respect of the obligations of the Substitute Obligor 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

Obligor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Certificateholder;

- (iv) each stock exchange which has Leveraged Certificates listed or admitted to trading thereon shall have confirmed that following the proposed substitution by the Substituted Obligor such Leveraged Certificates would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
- (v) the Substituted Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent;
- (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution by the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent; and
- (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution by the Substituted Obligor for the Issuer and to be available for inspection by Certificateholders at the specified office of the Issuing and Paying Agent.

(B) In connection with any substitution effected pursuant to this General Leveraged Certificates Condition, neither the Issuer nor the Substituted Obligor need have any regard to the consequences of any such substitution for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Certificateholder, except as provided in General Leveraged Certificates Condition 11(A)(ii), shall be entitled to claim from the Issuer or any Substituted Obligor under the Certificates 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 Obligor shall be deemed to be named in the Leveraged Certificates as the principal obligor in place of the Issuer and the Leveraged Certificates 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 obligor in respect of the Leveraged Certificates save that any claims under the Leveraged Certificates prior to release shall enure for the benefit of Certificateholders.

(D) The Documents shall be deposited with and held by the Issuing and Paying Agent for so long as any Leveraged Certificates remain outstanding and for so long as any claim made against the Substituted Obligor by any Certificateholder in relation to the Leveraged Certificates or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and the Issuer shall acknowledge in the Documents the right of every Certificateholder to the production of the Documents for the enforcement of any of the Leveraged Certificates or the Documents.

- (E) Not later than 15 business days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Certificateholders in accordance with General Leveraged Certificates Condition 8.

12 Governing Law and Jurisdiction

- (A) The Leveraged Certificates and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Leveraged Certificates shall be governed by, and shall be construed in accordance with, Dutch law.
- (B) The courts of the Netherlands shall have exclusive jurisdiction to settle any disputes that may, directly or indirectly, arise out of or in connection with any Leveraged Certificates or the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with any Leveraged Certificates or the Agency Agreement) and accordingly any legal action or proceedings arising out of or in connection with any Leveraged Certificates or the Agency Agreement (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of the Netherlands and waives any objection to Proceedings in such courts on the ground of venue. This submission is made for the benefit of each of the holders of the Leveraged Certificates 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).

ANNEX 1: TERMS AND CONDITIONS OF SHARE LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Share Leveraged Certificates shall comprise the General Leveraged Certificates Conditions as set out on page 34-43 and the additional terms and conditions set out below (the **Share Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificate Conditions and the Share Leveraged Certificate Conditions the Share Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Share Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means Change in Law and/or Insolvency Filing and/or such other event (if any) specified in the applicable Final Terms.

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

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

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

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

(i) Upon Exercise:

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

(ii) Upon an Issuer Call:

(Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the **Issuer Call Cash Settlement Amount**); or

(iii) Following a Stop Loss Event:

(Stop Loss Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “Stop Loss Cash Settlement Amount”).

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

(i) Upon Exercise:

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

(ii) Upon an Issuer Call:

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

(iii) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the “Stop Loss Cash Settlement Amount”), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

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

Current Financing Level means, subject to adjustment in accordance with Share Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

(A) the Current Financing Level on the previous Reset Date; plus

(B) Funding Cost; and minus

(C) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts.

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

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

reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Share Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the **Minimum Premium** nor greater than the **Maximum Premium** (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Share Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms.

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

Disrupted Day means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant 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, in respect of the Share, the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Share Leveraged Certificates Condition 2.

Exchange means, in respect of the Share, the Exchange specified for the Share in the Final Terms or otherwise the stock exchange on which the Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the 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, in respect of the Share, any Scheduled Trading Day on which the Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any Related Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption means, in respect of the Share, 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.

Exchange Rate means, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined

by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time.

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

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

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to the price of the Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Final Reference Price, all as determined by or on behalf of the Calculation Agent.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

- (iii) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

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

Insolvency Filing means, in respect of a Share, 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 the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Share Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

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

Merger Event means, in respect of the Share, any (i) reclassification or change of the Share that results in a transfer of or an irrevocable commitment to transfer all of the 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 the 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 the Shares (other than such Shares owned or controlled by 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 the 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 per cent. of the outstanding Shares immediately following such event (a **Reverse Merger**), in each case if the Merger Date is on or before the relevant Valuation Date.

Nationalisation means that all the Shares of a 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 relevant 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 Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

Notional Dividend Amount means, if Notional Dividend Amount is specified as being applicable in the Final Terms, an amount as determined by the Calculation Agent, equal to (1) in the case of a Long Share Leveraged Certificate (i) the sum of the cash dividends and/or other cash distributions in respect of the Share which has an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses; or (2) in the case of a Short Share Leveraged Certificate: (i) the sum of full cash dividends declared in respect of the Share which has an ex-dividend date occurring during the Notional Dividend Period without regard to any withholding taxes or other deductions, multiplied by the prevailing percentage payable under market standard stock borrow agreements, or (ii) the market implied dividend during the Notional Dividend Period, plus any Expenses.

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

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

Potential Adjustment Event means any of the following:

- (A) a subdivision, consolidation or reclassification of one or more of the Shares specified in the Final Terms (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of one or more of the Shares specified in the Final Terms of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant 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;
- (C) an Extraordinary Dividend;
- (D) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (E) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) with respect to a 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 such Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (G) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares.

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

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

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Reset Date will be the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent.

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

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, in respect of a Share, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Share means the share specified as such in the applicable Final Terms.

Share Company means, in respect of a Share, the company that has issued such Share.

Short Share Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Share Leveraged Certificate Condition 2, the price of the Share on the Exchange is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Share Leveraged Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Share Leveraged Certificate, greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Share Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

- (i) the Current Financing Level on the current Stop Loss Reset Date; plus
- (ii) the Current Stop Loss Premium on the current Stop Loss Reset Date.

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

- (i) the Current Financing Level on the current Stop Loss Reset Date; minus

- (ii) the Current Stop Loss Premium on the current Stop Loss Reset Date.

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

Stop Loss Reset Date means (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Stop Loss Reset Date will be the next following Business Day or (b) each Business Day, at the determination of the Calculation Agent.

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Share Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price of the Share as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis.

- (A) in the case of a Long Share Leveraged Certificate, the Stop Loss Termination Reference Price will be equal to at least the lowest price of the Share on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day; or
- (B) in the case of a Short Share Leveraged Certificate, the Stop Loss Termination Reference Price will be at most the highest level of the Share on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day.

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

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

Tender Offer means, in respect of the Share, 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 Issuer are actually purchased or otherwise obtained (as determined by the Calculation Agent).

Termination Reference Price means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the price of the Share quoted on the Exchange at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

Trading Disruption means, in respect of the Share, 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 such Share on such Exchange, or (ii) in futures or options contracts relating to the Share on a Related Exchange.

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share quoted on the Exchange and such other factors as the Calculation Agent determines to be relevant.

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

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Events

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(B) Adjustments

Following the declaration by the Share Company of the terms of any Potential Adjustment Event in respect of the Share or that there has been an adjustment to the settlement terms of options on the Share traded on such exchange(s) or quotation systems(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) request the Issuer to make the corresponding adjustment(s), if any, to any of the terms and conditions of the Leveraged Certificates 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 Share traded on such Options Exchange. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(C) *Consequences of a Merger Event*

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

- (i) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 8. If the Leveraged Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it which amount shall be the fair market value of a Leveraged Certificate taking into account the Merger Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 8;
- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Leveraged Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Leveraged Certificates of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Share or to the Leveraged Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Share traded on such options exchange and determine the effective date of that adjustment; and/or
- (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New 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 relevant Shares and the relevant Share Issuer, respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms and conditions of the Certificates as it may determine.

The Issuer shall give notice of such cancellation, adjustment or deemed change to Certificateholders in accordance with General Leveraged Certificates Condition 8.

3 Consequences of a Tender Offer

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

- (i) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 8. If the Leveraged Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it which amount shall be the fair market value of a Leveraged Certificate taking into account the Tender Offer less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 8; or

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

The Issuer shall give notice of such cancellation or adjustment to Certificateholders in accordance with General Leveraged Certificates Condition 8.

4 Nationalisation, Insolvency or De-listing

If in respect of the Share or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any of the terms and conditions of the Leveraged Certificates to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) cancel the Leveraged Certificates. If the Leveraged Certificates are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it which amount shall be the fair market value of a Leveraged Certificate taking into account the Nationalisation, Insolvency or De-listing (as the case may be), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with General Leveraged Certificates Condition 8.

The Issuer shall give notice of such cancellation, adjustment or determination to Certificateholders in accordance with General Leveraged Certificates Condition 8

5 Change of Exchange

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

6 Price Correction

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

7 Currency

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

such adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary.

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

8 Additional Market Disruption Events

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

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

9 Change in currencies

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

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

ANNEX 2: TERMS AND CONDITIONS OF FUND LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Leveraged Certificates issued by the Issuer linked to a fund shall comprise the General Leveraged Certificates Conditions set out on page 34-43 of this Section A and the additional terms and conditions set out below (the **Fund Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Fund Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

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

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

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

(A) Upon Exercise:

$(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or

(B) Upon an Issuer Call:

$(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Issuer Call Cash Settlement Amount**); or

(C) Following a Stop Loss Event:

$(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Stop Loss Cash Settlement Amount**), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

Current Financing Level means, subject to adjustment in accordance with Fund Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

(A) the Current Financing Level on the previous Reset Date; plus

- (B) Funding Cost; and minus
- (C) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the relevant Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

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

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

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Fund Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the 'Minimum Premium' nor greater than the 'Maximum Premium' (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Fund Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms.

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

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Fund Leveraged Certificates Condition 2.

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date,.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means unless otherwise specified in the applicable Final Terms, an amount equal to the Reference Asset Price for the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such level or price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Reference Asset Price for such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

Fund Manager means (a) the person specified as such in the applicable Final Terms or (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests.

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

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

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

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

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

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

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

- (A) a failure or postponement that is, in the determination of the Calculation Agent, material by the Fund and/or a Fund Manager to publish the Reference Asset Price in respect of that Business Day (provided that such Business Day is a day for which such official net asset value is scheduled to be published); or
- (B) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Business Day (provided that such Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or
- (C) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules); or
- (D) the failure of trading to commence, or the permanent discontinuation of trading, of the Fund; or
- (E) the material limitation imposed on trading in the Fund with respect to it or any contract with respect to it on any principal trading market; or
- (F) any other event similar to any of the above which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Leveraged Certificates.

Notional Dividend Amount means, if Notional Dividend Amount is specified as being Applicable in the applicable Final Terms, an amount, if any, as determined by the Calculation Agent, equal to (i) the sum of the cash dividends and/or other cash distributions in respect of the Fund which have an exdividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses.

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

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

Reference Asset Price means, (i) if specified as NAV in the applicable Final Terms, the net asset value of the Fund as quoted by the Fund Manager for any Scheduled Trading Day, and (ii) if specified as Trading Price in the applicable Final Terms, the trading price of the Fund as quoted by the Fund Manager for any Scheduled Trading Day.

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Reset Date will be the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent.

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

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms the Reference Asset Price (which shall be deemed to be a monetary value in the Financing Level Currency) for any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is less than or equal to the Stop Loss Price. If no such price or level is available the price or level will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Fund Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

- (A) the Current Financing Level on the current Stop Loss Reset Date; plus
- (B) the Current Stop Loss Premium on the current Stop Loss Reset Date.

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

Stop Loss Reset Date means (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Stop Loss Reset Date will be the next following Business Day or (b) each Business Day, at the determination of the Calculation Agent.

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Fund Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion on the Stop Loss Termination Valuation Date, equal to the shareweighted average of the Reference Asset Prices at which the hedging position in Fund Interests was redeemed during the Stop Loss Valuation Period.

Stop Loss Termination Valuation Date means the day the Reference Asset Price is made available for the last Scheduled Trading Day during the Stop Loss Termination Valuation Period.

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the number of Scheduled Trading Days taken to redeem the Fund Interests according to the redemption procedure relating to Fund Interests as set out in the constitutive documents for such Fund (and excluding for this purpose any period during which a Market Disruption Event is continuing). The Issuer shall submit a duly completed request to redeem Fund Interests as soon as practicable following the occurrence of the Stop Loss Event and for the avoidance of doubt, such submissions may occur on the Business Day following such Stop Loss Event if the Stop Loss Event occurs less than 3 hours prior to the cutoff time the fund manager, affiliate, agent, or intermediary platform through which the Issuer may contract (via a trading agreement or other ancillary document) is available to receive requests to subscribe and/or redeem Fund Interests.

Termination Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to the Reference Asset Price for the Issuer Call Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction (if, in the determination of the Calculation Agent, no such level or price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Reference Asset Price for such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

Trade Date means the date specified as such in the applicable Final Terms.

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

2 Adjustments, Consequences of Certain Events and Currency

(A) *Market Disruption Event*

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(B) *Fund Adjustment Event*

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

Fund Adjustment Event means:

- (A) Audit Event: the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;
- (B) Charging Change: the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;
- (C) Corporate Event: a declaration by or on behalf of a Fund of:
 - (i) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests;
 - (ii) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or
 - (iii) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;
- (D) Cross-contamination: any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;
- (E) Currency Change: the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules;
- (F) Dealing Restriction: any dealing restrictions (and/or amendments to relevant documentation) related to a Fund and/or transactions by its relevant fund manager, affiliate, agent or

intermediary platform through which the Calculation Agent may contract (via a trading agreement or other ancillary document) in order to carry out such transactions;

- (G) Fund Accounting Event: any changes in the accounting principles or policies applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (H) Fund Bankruptcy: the Fund is liquidated, dissolved or otherwise ceases to exist or it or its fund manager is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law or the Fund is subject to any fraud;
- (I) Fund Constitution Breach: any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (J) Fund Constitution Change: any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;
- (K) Fund License Event: the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or its fund manager to carry out their activities as they are or should be carried out in accordance with the constitutive documents for such Fund as of the Issue Date;
- (L) Fund Regulatory Event: any changes in the regulatory treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (M) Fund Rules Breach: any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;
- (N) Fund Strategy Breach: any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (O) Fund Strategy Change: any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;
- (P) Fund Tax Event: any changes in the tax treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (Q) Hedging Event: the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Leveraged Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;
- (R) Investor Tax Event: any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;

- (S) Litigation Event: the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;
- (T) Management Change: the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;
- (U) Mandatory Disposal: any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;
- (V) Market Event: any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered.
- (W) NAV Suspension: suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;
- (X) Performance Failure: any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;
- (Y) Potential Regulatory Event: an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;
- (Z) Redemption Failure: a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;
- (AA) Regulatory Event: the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;
- (BB) Subscription/Redemption Alteration: any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;
- (CC) Subscription/Redemption Restriction: any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or
- (DD) Transfer Restriction: suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules; or
- (EE) Other Event: any other event, whether similar or not to any of the above: (A) which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Leveraged Certificates and/or hedge its obligations hereunder or unwind a

hedge of its obligations hereunder and/or carry out any and all transactions in respect of the Fund for the purpose of the Leveraged Certificates; (B) where the Calculation Agent is unable to acquire or dispose of shares of a Fund; (C) where there is any default in payment(s) for any amounts owing to the Calculation Agent for the redemption of shares of a Fund by the fund manager or any party responsible for making payments in respect of redemption.

ANNEX 3: TERMS AND CONDITIONS OF INDEX LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Leveraged Certificates shall comprise the General Leveraged Certificates issued by the Issuer set out on page 34-43 and the additional terms and conditions set out below (the **Index Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificates Conditions and the Index Leveraged Certificate Conditions the Index Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Index Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means a Change in Law and/or such other event (if any) specified in the applicable Final Terms.

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

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

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

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

- (i) Upon Exercise:
 $(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or
- (ii) Upon an Issuer Call:
 $(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Issuer Call Cash Settlement Amount**); or
- (iii) Following a Stop Loss Event:
 $(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Stop Loss Cash Settlement Amount**).

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

- (i) Upon Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “Exercise Cash Settlement Amount”); or

- (ii) Upon an Issuer Call:
(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the **Issuer Call Cash Settlement Amount**); or
- (iii) Following a Stop Loss Event:
(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the **Stop Loss Cash Settlement Amount**), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

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

Current Financing Level means, subject to adjustment in accordance with Index Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (A) the Current Financing Level on the previous Reset Date; plus
- (B) Funding Cost; and minus
- (C) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts, and if specified to be inapplicable in the relevant Final Terms, Notional Dividend Amounts shall be disregarded in the calculation of Current Financing Level.

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

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

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Index Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the 'Minimum Premium' nor greater than the 'Maximum Premium' (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in

accordance with Index Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms.

Disrupted Day means, in respect of the Index, any Scheduled Trading Day on which (i) if Multi-Exchange Index is specified in the Final Terms, the Index Sponsor fails to publish the level of the Index or, if Non Multi-Exchange Index is specified in relation to the Index in the Final Terms, the Exchange fails to open for trading during its regular trading session, (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, in respect of the Index, the closure on any Exchange Business Day of the Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange(s) or Related Exchange(s) system(s) for execution at the Valuation Time on an Exchange Business Day.

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Index Leveraged Certificate Condition 2.

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

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

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

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due upon Exercise, an Issuer Call or following a Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to the official closing value of the Index at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such level can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Index on such date having regard to the then prevailing market conditions, the last reported trading price of the securities comprised in the Index on the Exchange and such other factors as the Calculation Agent determines relevant.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

- (i) Prevailing Rate plus Current Spread; multiplied by
- (ii) the Current Financing Level on the previous Reset Date; multiplied by
- (iii) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

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

- (i) Prevailing Rate minus Current Spread; multiplied by
- (ii) the Current Financing Level on the previous Reset Date; multiplied by
- (iii) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Funding Cost may be a negative number.

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

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

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

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

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

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

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Index and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Index Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Market Disruption Event means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption or (iii) any Additional Market Disruption Event specified in the applicable Final Terms, which in each case the Calculation Agent determines is

material, at any time during the one hour period that ends at the relevant Valuation Time or (iv) an Early Closure, provided that, if 'Multi-Exchange Index' is specified in relation to the Index in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

Notional Dividend Amount means, if 'Notional Dividend Amount' is specified as being applicable in the Final Terms, an amount as determined by the Calculation Agent, equal to (1) in the case of a Long Index Leveraged Certificate: (i) the sum of the cash dividends and/or other cash distributions in respect of each security comprised in the Index which have an ex-dividend date occurring during the Notional Dividend Period net of applicable withholding taxes without regard to any tax credits, or (ii) the market implied dividend during the Notional Dividend Period, less any Expenses; or (2) in the case of a Short Index Leveraged Certificate: (i) the sum of the full cash dividends declared in respect of each security comprised in the Index which have an ex-dividend date occurring during the Notional Dividend Period without regard to any withholding taxes or other deductions, multiplied by the prevailing percentage payable under market standard stock borrow agreements, or (ii) the market implied dividend during the Notional Dividend Period, plus any Expenses.

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

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

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

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Reset Date will be the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent.

Scheduled Closing Time means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on

such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

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

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Short Index Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Index Leveraged Certificate Condition 2, the level of the Index as calculated and published by the Index Sponsor (which shall be deemed to be a monetary value in the Financing Level Currency) is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Index Leveraged Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Index Leveraged Certificate, greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Index Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

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

Stop Loss Reset Date means (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Stop Loss Reset Date will be the next following Business Day or (b) each Business Day, at the determination of the Calculation Agent.

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Index Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Index as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best efforts basis.

- (A) in the case of a Long Index Leveraged Certificate the Stop Loss Termination Reference Price will be equal to at least the lowest level of the Index on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day; or
- (B) in the case of a Short Index Leveraged Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Index on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day.

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

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

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

Termination Reference Price means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Index Level at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

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

Valuation Date means, the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent

determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price by determining the Index Level as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on the last day of the Relevant Number of Scheduled Trading Days, its good faith estimate of the value for the relevant security as of the Valuation Time on the last day of the Relevant Number of Scheduled Trading Days).

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

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Events

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

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

If the Calculation Agent determines that, in respect of the Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to any terms and conditions of the Leveraged Certificates, the Issuer may make any adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(C) Change of Exchange

If an Exchange is changed, the Issuer may make such consequential modifications to the terms and conditions of the Leveraged Certificates as it may deem necessary.

(D) Price Correction

In the event that any price or level published on the Exchange or by the Index Sponsor in respect of the Index and which is utilised for any calculation or determination made under the Leveraged Certificates is subsequently corrected and the correction is published by the Exchange or the Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the

original publication, the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the terms and conditions of the Leveraged Certificates to account for such correction.

(E) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Leveraged Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary. The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(F) Additional Market Disruption Events

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 8.

3 Index Disclaimer

The Leveraged Certificates are not sponsored, endorsed, sold or promoted by the Index or of the Index Sponsor and the Index Sponsor has not made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor are not under any obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Leveraged Certificates. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or of the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information.

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

ANNEX 4: TERMS AND CONDITIONS OF COMMODITY LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Commodity Leveraged Certificates shall comprise the General Leveraged Certificates Conditions issued by the Issuer set out on page 34-43 and the additional terms and conditions set out below (the **Commodity Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificates Conditions and the Commodity Leveraged Certificate Conditions the Commodity Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Commodity Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means a Change in Law and/or such other event (if any) specified in the Final Terms.

Bullion Business Day means, in respect of any Commodity Leveraged Certificates for which the Commodity is bullion, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in the location where payment is to be made.

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

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

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

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

- (i) Upon Exercise:
(Final Reference Price – Current Financing Level) x Entitlement, less Expenses (the “Exercise Cash Settlement Amount”); or
- (ii) Upon an Issuer Call:
(Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “Issuer Call Cash Settlement Amount”); or
- (iii) Following a Stop Loss Event:
(Stop Loss Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the “Stop Loss Cash Settlement Amount”).

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

- (i) Upon Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the “Exercise Cash Settlement Amount”); or
- (ii) Upon an Issuer Call:
 $(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “Issuer Call Cash Settlement Amount”); or
- (iii) Following a Stop Loss Event:
 $(\text{Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the “Stop Loss Cash Settlement Amount”),

provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

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

Commodity means the commodity specified as such in the applicable Final Terms, subject to Commodity Leveraged Certificate Condition 2.

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

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

Current Financing Level means, subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formulae:

- (A) in the case of the Issuer using the spot price of the Commodity as the Specified Price:
 - (i) the Current Financing Level on the previous Reset Date; plus

- (ii) Funding Cost.
- (B) in the case of the Issuer using the Futures Contract as the Commodity Reference Price:
 - (i) in the case of a Long Commodity Leveraged Certificate:
 - (a) the Current Financing Level on the previous Reset Date; plus
 - (b) Handling Cost; minus
 - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.
 - (ii) in the case of a Short Commodity Leveraged Certificate:
 - (a) the Current Financing Level on the previous Reset Date; minus
 - (b) Handling Cost; minus
 - (c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

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

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

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the “Minimum Premium” nor greater than the “Maximum Premium” (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the “Current Stop Loss Premium Rate”) on the Trade Date is the rate specified as such in the applicable Final Terms.

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

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

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

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

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

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Commodity Leveraged Certificate Condition 2.

Exchange means, in respect of the Commodity, the exchange or principal trading market specified in the applicable Final Terms.

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

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Commodity Business Day or Bullion Business Day, as applicable, preceding the scheduled Valuation Date.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to the Specified Price of the Commodity quoted on the relevant Price Source at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without any regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the Specified Price of the Commodity on such date having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines relevant.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

The Funding Cost may be a negative number.

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

Handling Cost means, subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2, an amount, as determined by the Calculation Agent on a daily basis, equal to:

- (A) Current Spread; multiplied by
- (B) the Current Financing Level on the previous Reset Date; multiplied by

- (C) the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Financing Level Currency.

The Handling Cost may be a negative number.

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Commodity Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

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

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

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

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

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

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

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

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

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Commodity Business Day or Bullion Business Day, as applicable, the Reset Date will be the next following Commodity Business Day or Bullion Business Day, as applicable, or (b) each Commodity Business Day or Bullion Business Day, as applicable, or (c) the Commodity Business Day or Bullion Business Day, as applicable, following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Futures Contract, at the determination of the Calculation Agent.

Rollover Date means the date specified as such in the applicable Final Terms.

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

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

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Short Commodity Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Commodity Leveraged Certificate Condition 2, (1) in the case of a Long Commodity Leveraged Certificate, the bid low price of the Commodity quoted on the relevant Price Source specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, less than or equal to the Stop Loss Price; or (2) in the case of a Short Commodity Leveraged Certificate, the high ask price of the Commodity quoted on the relevant Price Source specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, greater than or equal to the Stop Loss Price. If no such price is available the price will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

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

Stop Loss Reset Date means (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Commodity Business Day or Bullion Business Day, as applicable, the Stop Loss Reset Date will be the next following Commodity Business Day or Bullion Business Day, as applicable, or (b) each Commodity Business Day or Bullion Business Day, as applicable, or (c) the Commodity Business Day or Bullion Business Day, as applicable, following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Futures Contract, at the determination of the Calculation Agent.

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Commodity Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Commodity as determined by the Calculation Agent by reference to unwinding of the hedging position on a best efforts basis.

(1) in the case of a Long Commodity Leveraged Certificate the Stop Loss Termination Reference Price will be at most the lowest level of the Commodity on the Stop Loss Termination Valuation Date; or (2) in the case of a Short Commodity Leveraged Certificate the Stop Loss Termination

Reference Price will be at most the highest level of the Commodity on the Stop Loss Termination Valuation Date.

Stop Loss Termination Valuation Date means the Stop Loss Termination Date or if the Stop Loss Event occurs at the Valuation Time on the Stop Loss Termination Date, the following Scheduled Trading Day.

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

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

Termination Reference Price means an amount equal to (1) in the case of a Long Commodity Leveraged Certificate, the bid-price of the Commodity quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date or (2) in the case of a Short Commodity Leveraged Certificate, the ask-price of the Commodity quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date, both as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

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

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

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Commodity and such other factors as the Calculation Agent determines to be relevant.

Valuation Time means the time specified as such in the applicable Final Terms, or such other time as the Issuer may determine in its absolute discretion and notify to Certificateholders in accordance with General Leveraged Certificates Condition 8.

2 Adjustments, Consequences of Certain Events and Currency

(A) *Market Disruption Events*

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(B) *Corrections*

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

(C) *Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Leveraged Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(D) *Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 8.

(E) *Change in Currency*

If, at any time after the Issue Date, there is any change in the currency in which the Commodity is quoted, listed and/or dealt on the relevant Price Source and/or Exchange, then the Issuer will adjust such of the terms and conditions of the Leveraged Certificates as the Calculation Agent determines

appropriate to preserve the economic terms of the Leveraged Certificates. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Leveraged Certificates.

ANNEX 5: TERMS AND CONDITIONS OF CURRENCY LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Currency Leveraged Certificates shall comprise the General Leveraged Certificates Conditions set out on page 34-43) and the additional terms and conditions set out below (the **Currency Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificates Conditions and the Currency Leveraged Certificate Conditions the Currency Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Currency Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means such event (if any) specified in the applicable Final Terms.

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

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

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

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

- (i) Upon Exercise:
 $(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “Exercise Cash Settlement Amount”); or
- (ii) Upon an Issuer Call:
 $(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “Issuer Call Cash Settlement Amount”); or
- (iii) Following a Stop Loss Event:
 $(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the “Stop Loss Cash Settlement Amount”).

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

- (i) Upon Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or
- (ii) Upon an Issuer Call:

(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the **Issuer Call Cash Settlement Amount**); or

- (iii) Following a Stop Loss Event:
(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the **Stop Loss Cash Settlement Amount**), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

Current Financing Level means, subject to adjustment in accordance with Currency Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (a) the Current Financing Level on the previous Reset Date; plus
- (b) Funding Cost.

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

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

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Currency Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the Minimum Premium nor greater than the Maximum Premium (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Currency Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms. “Disrupted Day” means, in respect of the Underlying FX Rate, any day on which a Market Disruption Event has occurred.

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Currency Leveraged Certificate Condition 2.

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date,.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to:

- (A) in the case of a Long Currency Leveraged Certificate, the bid-price of the Underlying FX Rate quoted the Relevant Screen Page at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the bid-price of the Underlying FX Rate on such date having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines relevant; or
- (B) in the case of a Short Currency Leveraged Certificate, the ask-price of the Underlying FX Rate quoted the Relevant Screen Page at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the ask-price of the Underlying FX Rate on such date having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines relevant.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

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

days used for calculating the day count fraction for the Underlying Currency (or if no Underlying Currency is so specified in the applicable Final Terms, the Settlement Currency); plus (c) Current Spread multiplied by the number of calendar days elapsed in the Calculation Period (including the current day) divided by the default number of days used for calculating the day count fraction for the Settlement Currency.

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

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

The Funding Cost may be a negative number.

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

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

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

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

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

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

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Currency Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

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

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

Prevailing Rate means the rate, as determined by the Calculation Agent in its sole and absolute discretion, for deposits in the Financing Level Currency or the Settlement Currency (or Underlying Currency where Underlying Currency is defined in the applicable Final Terms) (as appropriate) with a maturity of one month or any other shorter period, as selected by the Calculation Agent in its sole and absolute discretion.

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

Relevant Number of Days means the number of days, if any, specified as such in the applicable Final Terms.

Relevant Screen Page means as specified in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Reset Date will be the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent.

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Short Currency Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

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

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Currency Leveraged Certificate Condition 2, (1) in the case of a Long Currency Leveraged Certificate, the low price of the Underlying FX Rate quoted on the Relevant Screen Page specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is less than or equal to the Stop Loss Price; or (2) in the case of a Short Currency Leveraged Certificate, the high price of the Underlying FX Rate quoted on the Relevant Screen Page specified as such in the applicable Final Terms on any day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, is greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Currency Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

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

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

Stop Loss Termination Date means the first day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Currency Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be equal to:

- (A) in the case of a Long Currency Leveraged Certificate the higher of (i) the fair value price of the Underlying FX Rate as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis and (ii) the lowest level of the Underlying FX Rate on the Stop Loss Termination Valuation Date; or
- (B) in the case of a Short Currency Leveraged Certificate the higher of (i) the fair value price of the Underlying FX Rate as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis and (ii) the highest level of the Underlying FX Rate on the Stop Loss Termination Valuation Date.

Stop Loss Termination Valuation Date means the Stop Loss Termination Date or, if such date is a Saturday or Sunday or if the Stop Loss Event occurs at the Valuation Time on the Stop Loss Termination Date, the following Business Day.

Termination Reference Price means an amount specified in the applicable Final Terms, or if Termination Reference Price is not so specified, (1) in the case of a Long Currency Leveraged Certificate, an amount equal to the bid-price of the Underlying FX Rate quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date or (2) in the case of a Short Currency Leveraged Certificate, the ask-price of the Underlying FX Rate quoted on the Relevant Screen Page at the Valuation Time on the Issuer Call Date, both as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

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

Underlying FX Rate means the rate specified as such in the applicable Final Terms.

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Underlying FX Rate and such other factors as the Calculation Agent determines to be relevant.

Valuation Time means the time specified as such in the applicable Final Terms, or such other time as the Issuer may determine in its absolute discretion and notify to Certificateholders in accordance with General Leveraged Certificates Condition 8.

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Events

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(B) Corrections

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

(C) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Leveraged Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(D) Additional Market Disruption Events

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the

Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any cancellation of the Leveraged Certificates or determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 8.

ANNEX 6: TERMS AND CONDITIONS OF DEBT LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Debt Leveraged Certificates shall comprise the General Leveraged Certificates set out on page 34-43 (the **General Leveraged Certificates Conditions**) and the additional terms and conditions set out below (the **Debt Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificates Conditions and the Debt Leveraged Certificate Conditions the Debt Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Debt Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means such event (if any) specified in the applicable Final Terms.

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

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

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

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

- (i) Upon Exercise:
 $(\text{Final Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or
- (ii) Upon an Issuer Call:
 $(\text{Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Issuer Call Cash Settlement Amount**); or
- (iii) Following a Stop Loss Event:
 $(\text{Stop Loss Termination Reference Price} - \text{Current Financing Level}) \times \text{Entitlement}$, less Expenses (the **Stop Loss Cash Settlement Amount**).

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

- (i) Upon Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or
- (ii) Upon an Issuer Call:

(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses (the **Issuer Call Cash Settlement Amount**); or

- (iii) Following a Stop Loss Event:
(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses (the **Stop Loss Cash Settlement Amount**), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

Current Financing Level means, subject to adjustment in accordance with Debt Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formulae:

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

- (i) the Current Financing Level on the previous Reset Date; plus
- (ii) Handling Cost; minus
- (iii) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

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

- (i) the Current Financing Level on the previous Reset Date; minus
- (ii) Handling Cost; minus
- (iii) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread.

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

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

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Debt Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the Minimum Premium nor greater than the Maximum Premium (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in

accordance with Debt Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms.

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

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

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

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

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Debt Leveraged Certificate Condition 2.

Exchange means the exchange or quotation system specified as such in the applicable Final Terms or any successor to such exchange or quotation system.

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

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the closing Reference Asset Price on the Exchange at the Valuation Time, adjusted for any reasonable market-making spreads, on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the closing Reference Asset Price on such date having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines relevant.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

Handling Cost means, subject to adjustment in accordance with Debt Leveraged Certificate Condition 2, an amount, as determined by the Calculation Agent on a daily basis, equal to:

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

The Handling Cost may be a negative number.

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Reference Asset and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Debt Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Market Disruption Event means the occurrence, with respect to the Reference Asset, of (i) a Price Source Disruption, a Trading Disruption, a Disappearance of Reference Asset Price, a Tax Disruption,

a Material Change in Content or a Material Change in Formula, an Early Closure, a Reference Debtor Default, Nationalisation, De Minimis Trading or a Moratorium if so specified in the Final Terms or (ii) any Additional Market Disruption Event specified in the applicable Final Terms.

Material Change in Content means the occurrence since the Issue Date of a material change in the content, composition of the Reference Asset.

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

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

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

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

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

Reference Asset Price means the current price of the Reference Asset. For the avoidance of any doubt, this shall not be the futures contract value but the futures contract value divided by the applicable contract factor (the value of 1.0 future's point) specified on the applicable screen page referred to in the applicable Final Terms, and if no such page reference exists, such other page reference as the Calculation Agent determines.

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

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

lack or alleged lack of authority or capacity of such Reference Debtor to issue or enter into such security, indebtedness for money borrowed or guarantee.

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

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day the Reset Date will be the next following Business Day or (b) each Business Day or (c) the Business Day following any Rollover Date if such Rollover Date falls during the scheduled month for delivery of the Reference Asset, at the determination of the Calculation Agent.

Rollover Date means the date specified as such in the applicable Final Terms.

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

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

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Short Debt Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Debt Leveraged Certificate Condition 2, the Reference Asset Price (which shall be deemed to be a monetary value in the Financing Level Currency) on the Exchange on any Scheduled Trading Day, from and including the Trade Date, other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Debt Leveraged Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Debt Leveraged Certificate, greater than or equal to the Stop Loss Price. If no such price is available the price will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Debt Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

- (i) the Current Financing Level; plus
 - (ii) the Current Stop Loss Premium.
- (B) in the case of a Short Debt Leveraged Certificate:
 - (i) the Current Financing Level; minus
 - (ii) the Current Stop Loss Premium.

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

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Debt Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price for the Reference Asset as determined by the Calculation Agent by reference to unwinding of the hedging position on a best efforts basis. (1) in the case of a Long Debt Leveraged Certificate the Stop Loss Termination Reference Price will be at most the lowest level of the Reference Asset Price on the Stop Loss Termination Valuation Date; or (2) in the case of a Short Debt Leveraged Certificate the Stop Loss Termination Reference Price will be at most the highest level of the Reference Asset Price on the Stop Loss Termination Valuation Date.

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

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

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

Termination Reference Price means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the Reference Asset Price on the Exchange at the Valuation Time adjusted for any reasonable market-making spreads, on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

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

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

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported Reference Asset Price and such other factors as the Calculation Agent determines to be relevant.

Valuation Time means the close of trading on the Exchange, or such other time as the Issuer may determines in its absolute discretion and notify to Certificateholders in accordance with General Leveraged Certificates Condition 8.

2 Adjustments, Consequences of Certain Events and Currency

(A) Market Disruption Event

The Issuer shall, as soon as reasonably practicable under the circumstances notify the Certificateholders in accordance with General Leveraged Certificates Condition 8 if the Calculation Agent determines that a Market Disruption Event has occurred. The Issuer may make adjustments to the terms and conditions of the Leveraged Certificates in order to account for any Market Disruption Event if it considers it appropriate to do so. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(B) Corrections

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

(C) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Leveraged Certificates (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Leveraged Certificates as it deems necessary. The Issuer shall give notice to the holders of the Leveraged Certificates of any such adjustment in accordance with General Leveraged Certificates Condition 8.

(D) *Additional Market Disruption Events*

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder, which shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Market Disruption Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Certificateholders in accordance with General Leveraged Certificates Condition 8.

(E) *Change in Currency*

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

ANNEX 7: TERMS AND CONDITIONS OF FUTURES LEVERAGED CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Futures Leveraged Certificates shall comprise the General Leveraged Certificates Conditions as set out on page 34-43 and the additional terms and conditions set out below (the **Futures Leveraged Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Leveraged Certificate Conditions and the Futures Leveraged Certificate Conditions the Futures Leveraged Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Leveraged Certificates Conditions and/or the Futures Leveraged Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Definitions

For the purposes of these Terms and Conditions, the following definitions will apply:

Additional Market Disruption Event means Change in Law and/or any such other event (if any) specified in the applicable Final Terms.

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

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

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

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

(i) Upon Exercise:

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

(ii) Upon an Issuer Call:

(Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the **Issuer Call Cash Settlement Amount**); or

(iii) Following a Stop Loss Event:

(Stop Loss Termination Reference Price – Current Financing Level) x Entitlement, less Expenses (the **Stop Loss Cash Settlement Amount**).

- (B) in the case of a Short Futures Leveraged Certificate:
- (i) Upon Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement}$, less Expenses (the **Exercise Cash Settlement Amount**); or
 - (ii) Upon an Issuer Call:
 $(\text{Current Financing Level} - \text{Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the **Issuer Call Cash Settlement Amount**); or
 - (iii) Following a Stop Loss Event:
 $(\text{Current Financing Level} - \text{Stop Loss Termination Reference Price}) \times \text{Entitlement}$, less Expenses (the **Stop Loss Cash Settlement Amount**), provided that the Cash Settlement Amount shall not be less than zero. The Cash Settlement Amount shall be converted into the Settlement Currency at the prevailing Exchange Rate and rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.

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

Current Financing Level means, subject to adjustment in accordance with Futures Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent, on each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Financing Level Currency, in accordance with the following formula:

- (A) the Current Financing Level on the previous Reset Date; plus
- (B) Funding Cost; and minus
- (C) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts.

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

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

reflect this change). The Current Spread on the Trade Date is the spread specified as such in the applicable Final Terms.

Current Stop Loss Premium means an amount in the Financing Level Currency, as determined by the Calculation Agent on each Reset Date, in its sole and absolute discretion, and subject to adjustment in accordance with Futures Leveraged Certificate Condition 2, having regard to the current market conditions (including, without limitation, market volatility). The Current Stop Loss Premium shall not be less than the 'Minimum Premium' nor greater than the 'Maximum Premium' (both as specified in the applicable Final Terms) of the Current Financing Level, subject to adjustment in accordance with Futures Leveraged Certificate Condition 2. The percentage used for calculating the Current Stop Loss Premium (the **Current Stop Loss Premium Rate**) on the Trade Date is the rate specified as such in the applicable Final Terms.

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

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

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

Entitlement means the number specified as such in the applicable Final Terms, subject to any adjustment in accordance with Share Leveraged Certificates Condition 2.

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

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

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

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

Exercise means a Certificateholder's right to exercise the Leveraged Certificates in accordance with General Leveraged Certificates Conditions 3 and 4.

Exercise Date means, subject to a Stop Loss Event, as provided in General Leveraged Certificates Condition 3, the third Business Day preceding the scheduled Valuation Date.

Exercise Time means the time specified as such in the applicable Final Terms.

Expenses means all taxes, duties and/or expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising (a) upon Exercise, an Issuer Call or following a Stop Loss Event in connection with such Leveraged Certificate and/or (b) in connection with any payment or delivery due following Exercise, an Issuer Call or Stop Loss Event or otherwise in respect of such Leveraged Certificate.

Final Reference Price means, unless otherwise specified in the applicable Final Terms, an amount equal to the price of the Future quoted on the Exchange at the Valuation Time on the Valuation Date as determined by the Calculation Agent without regard to any subsequently published correction, unless the Calculation Agent determines that such published correction can be taken into account for calculating the Cash Settlement Amount, based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Future or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Final Reference Price, all as determined by or on behalf of the Calculation Agent.

Financing Level Currency means the currency specified as such in the applicable Final Terms.

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

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

The Funding Cost may be a negative number.

Futures means, subject to adjustments in accordance with this Annex 7, in the case of an issue of Leveraged Certificates relating to a single Future, the futures contract and, in the case of an issue of Leveraged Certificates relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

Issue Date means the date specified as such in the applicable Final Terms.

Issuer Call means termination of the Leveraged Certificates by the Issuer in accordance with General Leveraged Certificates Condition 3.

Issuer Call Commencement Date means the date specified as such in the applicable Final Terms.

Issuer Call Date means the day specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, and if such day is not a Scheduled Trading Day, means the first succeeding Scheduled Trading Day unless, in the determination of the Calculation Agent such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Issuer Call Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Issuer Call Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Issuer Call Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Termination Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Futures on the Exchange and such other factors as the Calculation Agent determines to be relevant.

Issuer Call Notice Period means the period specified as such in the applicable Final Terms.

Long Futures Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

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

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

Relevant Number of Scheduled Trading Days means the number of Scheduled Trading Days, if any, specified as such in the applicable Final Terms.

Reset Date means, unless otherwise specified in the applicable Final Terms, the Trade Date and thereafter (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Reset Date will be the next following Business Day, or (b) each Business Day, at the determination of the Calculation Agent.

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

Settlement Currency means the currency specified as such in the applicable Final Terms.

Settlement Date means, unless otherwise specified in the applicable Final Terms, (i) in relation to Exercise, the fourth Business Day following the Valuation Date, (ii) in relation to the Issuer Call, the date specified as such in the notice delivered in accordance with General Leveraged Certificates Condition 3, or (iii) in relation to a Stop Loss Event, the fourth Business Day following the Stop Loss Termination Valuation Date.

Short Futures Leveraged Certificate means a Leveraged Certificate designated as such in the applicable Final Terms.

Stop Loss Event occurs if, unless otherwise specified in the applicable Final Terms, subject to any adjustment in accordance with Share Leveraged Certificate Condition 2, the price of the Share on the Exchange is at any time on any Scheduled Trading Day, from and including the Trade Date, and other than at a time at which there is, in the determination of the Calculation Agent, a Market Disruption Event, (1) in the case of a Long Futures Leveraged Certificate, less than or equal to the Stop Loss Price; or (2) in the case of a Short Futures Leveraged Certificate, greater than or equal to the Stop Loss Price. If no such level is available the level will be determined by the Calculation Agent in its absolute discretion.

Stop Loss Price means an amount calculated on each Stop Loss Reset Date (which shall be deemed to be a monetary value in the Financing Level Currency), subject to adjustment in accordance with Futures Leveraged Certificate Condition 2, determined by the Calculation Agent in its sole and absolute discretion, as:

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

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

Stop Loss Reset Date means (a) the day of each calendar month specified as such in the applicable Final Terms, provided that if such day is not a Business Day, the Stop Loss Reset Date will be the next following Business Day or (b) each Business Day, at the determination of the Calculation Agent.

Stop Loss Termination Date means the first Scheduled Trading Day on which the Stop Loss Event occurs.

Stop Loss Termination Reference Price means, unless otherwise specified in the relevant Final Terms, subject to adjustment in accordance with Futures Leveraged Certificate Condition 2, an amount (which shall be deemed to be a monetary value in the Financing Level Currency) determined by the Calculation Agent in its sole and absolute discretion to be the fair value price of the Futures as determined by the Calculation Agent by reference to an unwinding of the hedging position on a best effort basis.

- (A) in the case of a Long Futures Leveraged Certificate, the Stop Loss Termination Reference Price will be equal to at least the lowest price of the Future on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day; or
- (B) in the case of a Short Futures Leveraged Certificate, the Stop Loss Termination Reference Price will be at most the highest level of the Future on (i) the Stop Loss Termination Valuation Date or (ii) the following Scheduled Trading Day.

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

Stop Loss Termination Valuation Period means a reasonable period following the Stop Loss Event, as determined by the Calculation Agent in its sole and absolute discretion, which period shall be determined by the liquidity in the underlying market and shall not be greater than 2 days (and excluding for this purpose any period during which a Market Disruption Event is continuing).

Termination Reference Price means an amount (which shall be deemed to be a monetary value in the Financing Level Currency) equal to the price of the Future quoted on the Exchange at the Valuation Time on the Issuer Call Date as determined by or on behalf of the Calculation Agent.

Trade Date means the date specified as such in the applicable Final Terms.

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

Valuation Date means the date or dates specified as such in the applicable Final Terms, unless, in the determination of the Calculation Agent, such day is a Disrupted Day. If the Calculation Agent determines that such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Relevant Number of 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 Valuation Date is a Disrupted Day. In that case, (i) the last day of the Relevant Number of Scheduled Trading Days shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Future quoted on the Exchange and such other factors as the Calculation Agent determines to be relevant.

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

2 Adjustments

(A) Futures Modification, Futures Replacement or Futures De-Listing

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

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Leveraged Certificates and, if so, shall use

the Future(s) so modified or substitute Future(s) in lieu of the initial Future(s) for the purpose of making determination under the Leveraged Certificates; or

- (ii) cancel the Leveraged Certificates by giving notice to Certificateholders in accordance with General Leveraged Certificates Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Certificateholder in respect of each Leveraged Certificate held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Leveraged Certificates Condition 8.

(B) Notice

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

4 Change of Exchange

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

5 Price Correction

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

6 Currency

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

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

7 Additional Market Disruption Events

If the Calculation Agent determines that an Additional Market Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Certificateholder in respect of each Leveraged Certificate held by such holder which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of payment taking into account the Additional Market Disruption Event, less, unless specified otherwise in the Final Terms, the cost to

the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Leveraged Certificate, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions.

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

8 Change in currencies

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

The Issuer shall give notice to the Certificateholders of any such adjustment in accordance with General Leveraged Certificates Condition 8.

FORM OF FINAL TERMS FOR LEVERAGED CERTIFICATES

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

FINAL TERMS

DATED [●]

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Issue of [Aggregate Amount of Tranche]
[Title of Leveraged Certificates]
issued pursuant to the
Leveraged Certificates, Warrants and Certificates Programme

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period (if any) specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Leveraged Certificates in any other circumstances]¹;

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Leveraged Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Leveraged Certificates. Accordingly any person making or intending to make an offer in that Relevant Member State of the Leveraged Certificates may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Leveraged Certificates in any other circumstances].²

¹ Only include if a non-exempt offer of Leveraged Certificates is anticipated

² Only include if an exempt offer of Leveraged Certificates is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 24 September 2009 [which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)]. This document constitutes the Final Terms applicable to the issue of Leveraged Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Leveraged Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Written or oral requests for such document should be directed to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB The Netherlands, telephone number + 31 (0)30 2160000.

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in Section A, Parts 1 and 2 of the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Leveraged Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)] and must be read in conjunction with the Base Prospectus dated [current date] [which constitutes a base prospectus for the purposes of the Prospectus Directive], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Leveraged Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date]. Copies of the Base Prospectuses may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Written or oral requests for such documents should be directed to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB The Netherlands, telephone number + 31 (0)30 2160000.]

[Include whichever of the following apply or specify as 'Not Applicable'(N/A). Note that the numbering should remain as set out below, even if 'Not Applicable' is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, adding any other final terms or information, consideration should be given as to whether such terms or information constitute significant new factors and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

GENERAL DESCRIPTION OF THE LEVERAGED CERTIFICATES

- | | | |
|----|--|---|
| 1. | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2. | (a) Series number: | [●] |
| | (b) Whether or not the Leveraged Certificates are to be consolidated and form a single series with the Leveraged Certificates of an existing series: | [●]
<i>(If fungible with an existing issue, details of that issue, including the date on which the Leveraged Certificates became fungible)</i> |
| 3. | (a) The type of Leveraged Certificate which may be: | [Index Leveraged Certificates][Share Leveraged Certificates][Currency Leveraged |

Certificates][Commodity Leveraged
Certificates][Fund Leveraged Certificates][Debt
Leveraged Certificates][Futures Leveraged
Certificates]

(b) Whether such Leveraged Certificates are Long or Short Leveraged Certificates: [Short] [Long]
(for Fund Leveraged Certificates will be Long only) (Delete as applicable)

4. Number of Leveraged Certificates being issued: [●]
5. Issue price per Leveraged Certificate: [●] [specify currency]
6. Trade Date: [●]
7. Issue Date: [●]
8. 'as-if-and-when-issued' Trading: [●]
9. Current Financing Level on the Trade Date: [●]
10. Current Spread on the Trade Date: [●]
11. Maximum Spread: [●]
12. Current Stop Loss Premium Rate on the Trade Date: [●]
13. Maximum Premium: [●]
14. Minimum Premium: [●]
15. Stop Loss Price on the Trade Date: [●]
16. Stop Loss Reset Date: [●]
17. Stop Loss Event: [As specified in the Terms and Conditions]
[other – specify]
(Delete as applicable)
18. Stop Loss Price Rounding: [●]
19. Stop Loss Termination Reference Price: [As specified in the Terms and Conditions]
[other – specify]
(Delete as applicable)
20. Reset Date: [●]
21. Entitlement: [●]
22. Financing Level Currency: [●]
23. Settlement Currency: [●]
24. Exercise Time: [●]

25. Cash Settlement Amount: [As specified in the Terms and Conditions]
[other – specify]
(Delete as applicable)
26. Final Reference Price: [As specified in the Terms and Conditions]
[other – specify]
(Delete as applicable)
27. Settlement Date: [As specified in the Terms and Conditions]
[other – specify]
(Delete as applicable)
28. Issuer Call Commencement Date: [●]
29. Issuer Call Notice Period: [●]
30. Valuation Date(s): [●]
31. Applicable Business Day Centre(s) for the purposes of the definition of 'Business Day' [●]
32. Calculation Agent: [Rabobank Structured Products]/[specify other]

ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS:

33. **Index Leveraged Certificate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Type of Index: [Multi-Exchange Index] [Non Multi-Exchange Index](Delete as appropriate)
[●]
- (b) Details of the Index: [●] (if a Non Multi-Exchange Index)
- (c) Index Sponsor: [[●]/[As specified in the Index Leveraged Certificate Conditions]] (Delete as appropriate)
- (d) Exchange: [As specified in the Index Leveraged Certificate Conditions] (if a Multi-Exchange Index) (Delete as appropriate)
- (e) Additional Market Disruption Event(s): [Applicable/Not Applicable] (If Applicable provide details of such Additional Market Disruption Events)
- (f) Notional Dividend Amount: [Applicable/Not Applicable] (Delete as appropriate)
- (g) Notional Dividend Period: [As specified in the Index Leveraged Certificate Conditions] [other – specify] (Delete as applicable)

(h) Number of Business Days in which a Price Correction may be published: [As specified in the Index Leveraged Certificate Conditions] *[other – specify]*
(Delete as applicable)

(i) Relevant Number of Scheduled Trading Days: [●]

34. **Share Leveraged Certificate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Share: [●]

(b) Share Issuer: [●]

(c) Exchange: [[●]/[As specified in the Share Leveraged Certificate Conditions] (Delete as appropriate)

(d) Additional Market Disruption Event(s): [Applicable/Not Applicable] (If Applicable provide details of such Additional Market Disruption Events)

(e) Notional Dividend Amount: [Applicable/Not Applicable] (Delete as appropriate)

(f) Notional Dividend Period: [As specified in the Share Leveraged Certificate Conditions] *[other – specify]* (Delete as applicable)

(g) Relevant Number of Scheduled Trading Days: [●]

35. **Currency Leveraged Certificate Provisions** [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Details of the Underlying FX Rate [●]

(b) Underlying Currency: [●]

(c) Relevant Screen Page: [●]

(d) Market Disruption Events: [[De Minimis Trading]] [General Inconvertibility] [General Non-Transferability] [Reference Debtor Default] [Illiquidity] [Inconvertibility/Non-Transferability]

[[Moratorium]] [Nationalisation] [Price Source Disruption] [Specific Inconvertibility] [Specific Non-Transferability] [Not Applicable] (delete as applicable)

(e) Relevant Number of Scheduled Trading Days: [●]

Days:

(f) Additional Market Disruption Event(s): [Applicable/Not Applicable] *(If Applicable provide details of such Additional Market Disruption Events)*

(g) Termination Reference Price: [●]

(h) Valuation Time: [●]

36. **Commodity Leveraged Certificate Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Commodity: [●]

(b) Commodity Reference Price: [●] *(specify successor and fallback provisions)*

(c) Price Source/Reference Dealers [●]

(d) Specified Price: [●]

(e) Delivery Dates: [●]

(f) Price Materiality Percentage: [●] [Not Applicable]

(g) Rollover Date: [●] [Not Applicable]

(h) Market Disruption Events: [Price Source Disruption] [Trading Disruption] [Disappearance of Commodity Reference Price] *[[except in relation to bullion]]* Material Change in Formula *[[except in relation to bullion]]* Material Change in Content [Tax Disruption] [Not Applicable] *(delete as applicable)*

(i) Relevant Number of Scheduled Trading Days: [●]

(j) Additional Market Disruption Event(s): [Applicable/Not Applicable] *(If Applicable provide details of such Additional Market Disruption Events)*

(k) Exchange: [●]

(l) Valuation Time: [●]

37. **Fund Leveraged Certificate Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Details of the Fund, Fund Interest and the name of the Fund Manager: [●]

- (b) Additional Market Disruption Event(s): [Applicable/Not Applicable] *(If Applicable provide details of such Additional Fund Disruption Events)*
- (c) Notional Dividend Amount: [Applicable/Not Applicable] *(Delete as appropriate)*
- (d) Notional Dividend Period: [As specified in the Fund Leveraged Certificate Conditions] [other – specify] *(Delete as applicable)*
- (e) Reference Asset Price: [NAV] [Trading Price. Bloomberg [●]]
- (f) Relevant Number of Days: [●]
38. **Debt Leveraged Certificate Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Reference Asset: [●] (ISIN: [●])
Screen Page: [●]
- (b) Rollover Date: [●]
- (c) Market Disruption Events: [Price Source Disruption] [Trading Disruption] [Disappearance of Reference Asset Price] [Material Change in Formula] [Material Change in Content] [Tax Disruption] [De Minimis Trading] [[Moratorium]] [Not Applicable] *(delete as applicable)*
- (d) Relevant Number of Scheduled Trading Days: [●]
- (e) Additional Market Disruption Event(s): [Applicable/Not Applicable] *(If Applicable provide details of such Additional Market Disruption Events)*
- (f) Exchange: [●]
- (g) Related Exchange: [●]
- (h) Valuation Time: [●]
39. **Futures Leveraged Certificate Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Futures: [insert type of Futures]
- (b) Exchange(s): [specify]

(c) Additional Market Disruption Event(s): [Applicable/Not Applicable] *(If Applicable provide details of such Additional Market Disruption Events)*

(d) Valuation Time: [●]

DISTRIBUTION

40. Method of distribution: [Syndicated/Non-Syndicated]

(a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, and addresses and underwriting commitments]
(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a best efforts basis if such entities are not the same as the Managers)

(b) Date of Subscription Agreement: [●]

41. Stabilising Manager (if any): [●]

42. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]

43. Total commission and concession: [[●] per cent of the aggregate nominal amount]

44. Non exempt Offer* :

[Not Applicable] [An offer of Leveraged Certificates may be made by the Manager[s] [and [specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. other parties authorised by the Managers) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as the Issue Date or the date which falls [●] Business Days thereafter] (**Offer Period**). See further Paragraph 14 of Part B below.

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

45. Additional Selling Restrictions:

[Not Applicable/give details]

PURPOSE OF FINAL TERMS

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

RESPONSIBILITY

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

Signed on behalf of the Issuer:

* Not relevant for an issue of Warrants with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency).

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

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

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

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

2 RATINGS

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

The Leveraged Certificates to be issued have been rated:

[S&P:[●]]

[Fitch: [●]]

[Moody's: [●]]

[[Other]: [●]]

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

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

3 NOTIFICATION

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

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

- (a) Reasons for the offer: [●]
(See 'Use of Proceeds' wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)]
- (b) Estimated net proceeds: [●]
(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)
- (c) Estimated total expenses: [●]
*[Expenses are required to be broken down into each principal intended 'use' and presented in order of priority of such 'uses'.]
(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where such reasons are inserted in (a), disclosure of net proceeds and total expenses at (B) and (C) below are also required.*

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

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

[Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

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

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

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

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

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

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

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

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

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

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

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

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

13. OPERATIONAL INFORMATION

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

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

- (a) Offer Price: [Issue Price][specify]
- (b) Conditions to which the offer is subject: [Not Applicable/give details]
- (c) Total Amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable/give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/give details]
- (e) [Details of the minimum and/or maximum amount of application:] [Not Applicable/give details]
- (f) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not Applicable/give details]
- (g) [Details of the method and time limits for paying up and delivering the Leveraged Certificates:] [Not Applicable/give details]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable/give details]

- | | | |
|-----|--|--|
| (i) | [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not Applicable/ <i>give details</i>] |
| (j) | [Categories of potential investors to which the Leveraged Certificates are offered and whether tranche(s) have been reserved for certain countries:] | [Not Applicable/ <i>give details</i>] |
| (k) | [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] | [Not Applicable/ <i>give details</i>] |
| (l) | [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] | [Not Applicable/ <i>give details</i>] |
| (m) | [Conditions to which the offer is subject:] | [Not Applicable/ <i>give details</i>] |
| (n) | [Description of the application process:] | [Not Applicable/ <i>give details</i>] |

SECTION B: TERMS AND CONDITIONS OF THE WARRANTS

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

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the **Issuer**) may from time to time issue warrants (the **Warrants**) issued pursuant to an Agency Agreement dated as of 24 September 2009 (as modified, supplemented and/or restated as at the issue date of the Warrants, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent and principal warrant agent (the **Issuing and Paying Agent and Principal Warrant Agent**, which expression shall include any additional or successor Issuing and Paying Agent and Warrant Agent) and Deutsche Bank Luxembourg S.A. as Luxembourg warrant agent (the **Luxembourg Warrant Agent**) (together with the Principal Warrant Agent, the **Warrant Agents**, which expression shall include any additional or successor Warrant Agents) and the other Paying Agents named therein (together with the Issuing and Paying Agent and Warrant Agents, the **Paying Agents**, which expression shall include any additional or successor Paying Agents).

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

Warrants may be issued in uncertificated book entry form (**Uncertificated book entry form Warrants**) and registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Netherlands**). No physical global certificates or certificates will be issued in respect of Warrants issued into and transferred through accounts at Euroclear Netherlands. The Warrants are issued subject to and in accordance with the Terms and Conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the Terms and Conditions (Book I and II and all relevant annexes) issued by Euroclear Netherlands and from time to time amended (together the **Regulations**). The right to request delivery (*uitlevering*) of Warrants is excluded. Warrants issued into and transferred through accounts at Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) (each a **Clearing System**), will on issue be constituted by a permanent global warrant (the **Global Warrant**), which will be deposited with a common depositary to Euroclear and Clearstream, Luxembourg. No Warrants in definitive form will be issued. The applicable Final Terms for the Warrants supplement these General Warrants Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Warrants Conditions, supplement, replace or modify these General Warrants Conditions for the purposes of the Warrants.

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

Copies of the Agency Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of the Issuer or the Paying Agents.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these General Warrants Conditions unless the context otherwise requires or

unless otherwise stated and provided that in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

Each Warrantholder (as defined in General Warrants Condition 1(B)) is entitled to the benefit of and are deemed to have notice of and is bound by all the provisions of the Agency Agreement (insofar as they relate to the Warrants) and the applicable Final Terms, which are binding on them.

1 Type, Title and Transfer

(A) Type

The Warrants relate to a specified Share or basket of Shares (**Share Warrants**), a specified fund share or unit or basket of fund shares or units (**Fund Warrants**), a specified Index or basket of Indices (**Index Warrants**), a specified commodity or commodity index or basket of commodities and/or commodity indices (**Commodity Warrants**), a specified currency or basket of currencies (**Currency Warrants**), a specified debt security or basket of debt securities (**Debt Warrants**), a specified futures contract or basket of futures contracts (**Futures Warrants**) including warrants which relate to a combination of such shares, fund shares or units, indices, commodities, currencies, futures, and any other assets classes or types as is specified in the applicable Final Terms. The applicable Final Terms will specify which of the Share Warrant Conditions, Fund Warrant Conditions, Index Warrant Conditions, Commodity Warrant Conditions, Currency Warrant Conditions, Debt Warrant Conditions, Futures Warrants Conditions, in each case set out in the Annexes to these General Warrants Conditions, apply to the Warrants.

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

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

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

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

Warrants may, if so specified and provided for in the applicable Final Terms, allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Warrants where the holder has elected for cash payment will be Cash Settled Warrants and those Warrants where the holder has elected for physical delivery will be Physical Delivery Warrants. The rights of a holder as described in this

paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms.

(B) *Title to Warrants*

(i) Uncertificated book entry Warrants:

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

(ii) Warrants represented by a Global Warrant:

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

(C) *Transfers of Warrant*

(i) Uncertificated book entry Warrants:

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

(ii) Warrants represented by a Global Warrant:

For as long as the Warrants are represented by a Global Warrant, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected through an account at Euroclear or Clearstream, Luxembourg subject to and in accordance with the rules and procedures for the time being of such Clearing System. Title will pass upon registration of the transfer in the books of each Clearing System.

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

(D) *Payments in respect of Warrants*

(i) Uncertificated book entry Warrants:

All payments in respect of the Uncertificated book entry Warrants shall be made in accordance with the Regulations. In particular, any payments on or in respect of the Uncertificated book entry

Warrants to the Warrantholders will be effected through Admitted Institutions (*aangesloten instellingen*) of Euroclear Netherlands. The Issuer shall deposit or cause to be deposited the funds intended for payment on the Warrants to an account of Euroclear Netherlands. The Issuer will by such deposit be discharged of its obligations towards the Warrantholders. Euroclear Netherlands will be discharged of its obligation to pay by paying the relevant funds to the Admitted Institutions which according to Euroclear Netherlands' record hold a share in the girodepot (as referred to in the Securities Giro Act) with respect to such Warrants, the relevant payment to be made in proportion with the share in such girodepot held by each of such Admitted Institutions in accordance with the relevant provisions of the Rules for Book-Entry Deposits. Euroclear Netherlands shall not be obliged to make any payment in excess of funds it actually received as funds free of charges of any kind whatsoever.

(ii) Warrants represented by a Global Warrant:

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

2 Status of the Warrants

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

3 Definitions

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

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

Affiliate means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer or any entity under common control with the Issuer. As used herein **control** means ownership of a majority of the voting power of an entity and **controlled by** and **control** shall be construed accordingly;

Averaging Date means, in respect of an Actual Exercise Date:

(A) in the case of Index Warrants, Share Warrants, Debt Warrants, Fund Warrants or Futures Warrants, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

(i) if '**Omission**' is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of 'Valuation Date' will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that

Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

- (ii) if '**Postponement**' is specified as applying in the applicable Final Terms, then the provisions of the definition of 'Valuation Date' will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
 - (iii) if '**Modified Postponement**' is specified as applying in the applicable Final Terms then:
 - (a) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share, or Futures Warrants relating to single Futures, the Averaging Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Averaging Date, is a Disrupted Day. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a) of the definition of 'Valuation Date' below;
 - (b) where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares or Futures Warrants relating to a Basket of Futures the Averaging Date for each Index or Share not affected by a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index, Share or Futures affected by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in relation to such Index, Share or Futures 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 Averaging Date, is a Disrupted Day for such Index, Share or Futures. In that case (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date for that Index, Share or Futures notwithstanding the fact that such day is a Disrupted Day in relation to such Index, Share or Futures and (B) the Calculation Agent shall determine the relevant level or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of Valuation Date below; and
 - (c) where the Warrants are Debt Warrants or Fund Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms.
- (B) where the Warrants are Currency Warrants or Commodity Warrants, provisions for determining the Averaging Date in the event of a Disrupted Day occurring will be set out in the applicable Final Terms;

Business Day means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and Euroclear Netherlands, Euroclear and Clearstream, Luxembourg, and/or any other clearing system(s) specified in the applicable Final Terms are open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open;

Cash Settlement Amount means, in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 4;

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

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

Expiration Date means the last Business Day of the Exercise Period;

Settlement Date means

(A) in relation to Cash Settled Warrants:

in relation to each Actual exercise Date, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Fund Warrants relating to a Basket of Funds, Futures Warrants relating to a Basket of Futures, Commodity Warrants relating to a Basket of Commodities, Currency Warrants relating to a Basket of Currencies, Debt Warrants relating to a Basket of Debt Securities and a Disrupted Day (as defined in) has resulted in a Valuation Date for one or more Indices, Shares, Funds, Futures, Commodities, Currencies or Debt Securities, as the case may be, being adjusted as set out in the definition of 'Valuation Date' below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Fund Warrants relating to a Basket of Funds, Futures Warrants relating to a Basket of Futures, Commodity Warrants relating to a Basket of Commodities, Currency Warrants relating to a Basket of Currencies, Debt Warrants relating to a Basket of Debt Securities and a Disrupted Day (as defined in) has resulted in an Averaging Date for one or more Indices, Shares, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, being adjusted as set out in the definition of Averaging Date above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, Funds, Futures, Commodities, Currencies or Debt Securities as the case may be, or such other date as is specified in the applicable Final Terms; and

- (B) in relation to Physical Delivery Warrants: the date specified as such in the applicable Final Terms;

Settlement Price means, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be:

- (A) in respect of Index Warrants, subject to Annex 3 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
- (i) in the case of Index Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction, multiplied by the relevant Weighting; and
 - (ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing value of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction;
- (B) in respect of Share Warrants, subject to Annex 1 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
- (i) in the case of Share Warrants relating to a Basket of Shares, an amount equal to the sum of the values calculated for each Share as the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and no Disrupted Day has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent

shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

- (ii) in the case of Share Warrants relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, no such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) can be determined and no Disrupted Day has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;
- (C) in respect of Fund Warrants, subject to Annex 2 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
 - (i) in the case of Fund Warrants relating to a Fund Basket comprised of Fund Shares and in respect of each Fund Share comprising the Fund Basket, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Fund Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Fund Share whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in

the trading of such Fund Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

- (ii) in the case of Fund Warrants relating to a single Fund Share, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Fund Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Fund Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent.
- (D) in respect of Debt Warrants, subject to Annex 6 and as referred to in 'Valuation Date' below or 'Averaging Date' above:
 - (i) in the case of Debt Warrants relating to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting;
 - (ii) in the case of Debt Warrants relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more

market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;

- (E) in respect of Currency Warrants; subject to Annex 5 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
- (i) in the case of Currency Warrants relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
 - (ii) in the case of Currency Warrants relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent);
- (F) in the case of Futures Warrants subject to Annex 7 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
- (i) in the case of Futures Warrants relating to a Basket of Futures, an amount equal to the sum of the values calculated for each Futures as the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Futures on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and no Disrupted Day has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or

the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Futures whose closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Futures or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

- (ii) in the case of Futures Warrants relating to a single Future, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Futures on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, no such closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) can be determined and no Disrupted Day has occurred and is continuing, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Futures based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Futures or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;
- (G) in the case of Commodity Warrants subject to Annex 4 and as referred to in 'Valuation Date' below or 'Averaging Date' above, as the case may be:
- (i) in the case of Commodity Warrants relating to a basket of Commodities or Commodity Indices and in respect of Commodity or Commodity Index comprising the basket, the Relevant Price for such Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
 - (ii) in the case of Commodity Warrants relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;.

Valuation Date means:

(unless specified otherwise in the Final Terms) the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day (as set out in the applicable Annex). If the Calculation Agent determines that such day is a Disrupted Day, then:

- (A) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share, Futures Warrants relating to a single Future, Fund Warrants relating to a single Fund Share or Debt Warrants relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the 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 Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (i) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
 - (ii) in the case of Share Warrants or Futures Warrants, in accordance with its good faith estimate of the Settlement Price that would have prevailed, but for the occurrence of the Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day; or
- (B) where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Futures Warrants relating to a Basket of Futures, Fund Warrants relating to a Basket of Fund Shares or Debt Warrants relating to a Basket of Debt Securities, the Valuation Date for each Index, Share, Future or Debt Security, as the case may be, not affected by a Disrupted Day shall be the originally designated Valuation Date and the Valuation Date for each Index, Share, Future or Debt Security, as the case may be, affected (each an **Affected Item**) by a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of the Affected Item, 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 Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, in the case of an Index, the level of that Index determined in the manner set out in the applicable Final Terms, and, in the case of a Share, a Future or a Debt Security, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day determined by the Calculation Agent by reference to the

formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) in the case of a Share, Future, Fund Share or Debt Security, its good faith estimate of the price for the Affected Item that would have prevailed, but for the occurrence of the Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

Weighting means the weighting to be applied to each relevant Basket to ascertain the Settlement Price as specified in the Final Terms.

4 Exercise Rights

(A) Exercise Period

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period. Any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg, Brussels or Amsterdam time, as the case may be, on the Expiration Date, shall become void, unless such American Style Warrant is a Cash Settled Warrant in which case (unless specified otherwise in the applicable Final Terms) it shall be deemed to have been automatically exercised on the Expiration Date (subject to prior cancellation of the Warrants in accordance with Conditions 7 and 8 or in any applicable Final Terms), and the Exercise Date for such Warrant shall be the Expiration Date. The Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. CET (or such other time as may be specified in the applicable Final Terms) to Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, and the copy thereof is received by the Paying Agent, is referred to herein as the Actual Exercise Date. If any Exercise Notice is received by Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, or if the copy thereof is received by the Paying Agent, in each case, after 10.00 a.m. CET (or such other time as may be specified in the applicable Final Terms) on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5 at or prior to 10.00 a.m. CET (or such other time as may be specified in the applicable Final Terms) on the Expiration Date shall become void (unless deemed to have been automatically exercised as provided above).

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date. Any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m. CET (or such other time as may be specified in the applicable Final Terms) on the Exercise Date, shall become void, unless such European Style Warrant is a Cash Settled Warrant in which case (unless provided otherwise in the applicable

Final Terms) it shall be deemed to have been automatically exercised on the Exercise Date (subject to prior cancellation of the Warrants in accordance with Conditions 7 and 8 or in any applicable Final Terms), and the Exercise Date for such Warrants shall be the Exercise Date.

(B) Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its holder, upon due exercise (or upon automatic exercise as provided above) and subject in the case of a Global Warrant, to certification as to non-US beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to the following (or such other amount specified in the applicable Final Terms):

- (i) where Averaging is not specified in the applicable Final Terms:
 - (a) if such Warrants are Call Warrants, (Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants, (Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms;
- (ii) where Averaging is specified in the applicable Final Terms:
 - (a) if such Warrants are Call Warrants, (the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants, (Exercise Price less the arithmetic mean of the Settlement Prices or all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

The Cash Settlement Amount will be subject to deduction of Exercise Expenses, as provided in Condition 5(C)(i).

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants or Units, as the case may be.

(C) Physical Settlement

- (i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlement in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlement in respect of the same Warrantholder will be rounded down to the nearest transferable unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof. Following exercise of a Share Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 5(A)(2)(vi).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine the appropriate pro rata portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

'Disruption Cash Settlement Price' in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions, all as determined by the Calculation Agent, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion); and

'Settlement Business Day', in respect of each Warrant, has the meaning specified in the applicable Final Terms relating to such Warrant; and

'Settlement Disruption Event' means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot reasonably make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(D) Issuer's Option to Vary Settlement

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

(E) General

The Calculation Agent shall give notice to the holders of the Warrants, in accordance with Condition 10, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Warrants.

The purchase of Warrants does not confer on any holder of such Warrants any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to 'CET' shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

5 Exercise Procedure

(A) Exercise Notice

Unless deemed to be automatically exercised, Warrants may only be exercised by the delivery of a duly completed exercise notice (an **Exercise Notice**) in the form set out in the Agency Agreement (copies of which form may be obtained from Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms and

the Paying Agents during normal office hours) to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, with a copy to the Paying Agent in accordance with the provisions set out in Condition 4 and this Condition.

- (i) In the case of Cash Settled Warrants, the Exercise Notice shall (among other things):
 - (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (b) specify the number of the Warrantholder's account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to be debited with the Warrants being exercised;
 - (c) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;
 - (d) specify the number of the Warrantholder's account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (e) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants (**Exercise Expenses**) and an authority to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, in respect thereof and to pay such Exercise Expenses;
 - (f) certify, inter alia, that the beneficial owner of each Warrant being exercised is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and
 - (g) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (b) specify the number of the Warrantholder's account at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to be debited with the Warrants being exercised;
 - (c) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;
 - (d) irrevocably instruct Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, with the aggregate Exercise Price in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (e) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants (**Exercise Expenses**) and an authority to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms to debit a specified account of the Warrantholder at Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, in respect thereof and to pay such Exercise Expenses;
 - (f) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Warrantholder's account with Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price;
 - (g) certify, inter alia, that the beneficial owner of each Warrant being exercised is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and
 - (h) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.
- (iii) If Condition 4(D) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing

system(s) as may be specified in the applicable Final Terms and the Paying Agents during normal office hours.

(B) Verification of the Warrantholder

Upon receipt of an Exercise Notice, Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, shall verify that the person exercising the Warrants is the holder thereof according to the books of Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be. Subject thereto, Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Paying Agent the series number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Paying Agent will inform the Issuer thereof. Euroclear Netherlands, Euroclear or Clearstream, Luxembourg, or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised.

(C) Settlement

(i) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised (or automatically exercised) Warrant or Unit, as the case may be, to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Price and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice, subject as provided in Condition 4(C). The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(D) Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, in consultation with the Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Paying Agent immediately after being delivered or sent to Euroclear Netherlands, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, as provided in paragraph (A) above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, in consultation with the Paying Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms, as the case may be, and the Paying Agent. Any Warrant

with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(A)(i), in the case of American Style Warrants, or Condition 4(A)(ii), in the case of European Style Warrants, shall become void, unless (in the case of Cash Settled Warrants) deemed to have been automatically exercised (as described above).

Neither the Issuer nor the Paying Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether an Exercise Notice is complete or in proper form or the notification of such determination to a Warrantholder.

(E) Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant exercise date and none of the Issuer or any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms in relation to the performance of its duties in relation to the Warrants.

6 Minimum and Maximum Number of Warrants Exercisable

(A) American Style Warrants

This paragraph (A) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms (if any) and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (if any) (a number equal to the Maximum Exercise Number being the **Quota**), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants is exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) European Style Warrants

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Issuer must be not less than the Minimum Exercise Number (if any) specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

7 Illegality and Force Majeure

(A) *Illegality*

If the Issuer determines that the performance of its obligations under the Warrants or any arrangement made to hedge its obligations thereunder has become illegal or otherwise prohibited in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10. Should any one or more of the provisions contained in these General Warrants Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby. If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality or prohibition less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions plus, if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Calculation Agent. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

(B) *Force Majeure*

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Warrants and/or any related hedging arrangements, the Issuer may redeem the Warrants by giving notice to Warrantholders in accordance with Condition 10.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value (if any) of a Warrant or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8 Purchases

The Issuer may at any time purchase Warrants at any price in the open market or by tender or private agreement. Any Warrants so purchased may be held or resold or surrendered for cancellation.

9 Agents, Determinations, Meetings Provisions and Modifications

(A) *Paying Agents*

The specified offices of the Paying Agents are as set out at the end of these General Warrants Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint further or additional Paying Agents, provided that no termination of appointment of the Issuing and Paying Agent shall become effective until a replacement Issuing and Paying Agent shall have been appointed and provided that, so long as any of the Warrants are listed or admitted to trading on a stock exchange, there shall be a Paying Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Paying Agent will be given to Warrantholders in accordance with Condition 10. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders and any determinations and calculations made in respect of the Warrants by any Paying Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantholders.

(B) *Calculation Agent/Issuer*

In relation to each issue of Warrants, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders. For the purposes of the Warrants, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Warrants 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 therefor. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations*

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

(D) *Meetings of Holders*

The Agency Agreement contains provisions for convening meetings of the Holders of Warrants to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer or Holders holding not less than 5 per cent. (by number) of the Warrants for the time being outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Warrants outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Warrants so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Warrants outstanding or at any adjourned meeting two or more persons being, holding or representing not less than 10 per cent. (by number) of the Warrants outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than

three-fourths of the votes cast by Holders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(E) Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Warrantholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Warrantholders or such modification is of a formal, minor or technical nature or to correct a manifest error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Warrantholders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10 Notices

All notices to Warrantholders shall be valid if delivered to Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms for communication by them to the holders of the Warrants and, in addition, for so long as any Warrants are listed or admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or other relevant authority). Notice shall be deemed to have been given to the holders of the Warrants on the first day after the day on which the said notice was given to Euroclear Netherlands or such other clearing system(s) as may be specified in the applicable Final Terms.

11 Expenses and Taxation

- (A)* A holder of Warrants must pay all Exercise Expenses relating to such Warrants as provided above.
- (B)* 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, exercise or enforcement of any Warrant 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.

12 Further Issues

The Issuer shall be at liberty from time to time without the consent of Warrantholders to create and issue further Warrants so as to be consolidated with and form a single series with the outstanding Warrants.

13 Substitution of the Issuer

- (A)* The Issuer may, without any further consent of the Warrantholders being required, when no payment or delivery obligation on any of the Warrants is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the **Substituted Obligor**) as principal obligor in respect of the Warrants provided that:
 - (i)* such documents shall be executed by the Substituted Obligor 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 Obligor shall undertake in favour of each Warrantholder to be bound by the Terms and Conditions of the Warrants and the provisions of the Agency Agreement as fully as if the Substituted Obligor had been named in the Warrants and the Agency Agreement as the principal obligor in respect

of the Warrants in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the **Guarantee**) in favour of each Warrantholder the performance by the Substituted Obligor of all obligations under the Warrants;

- (ii) the Documents shall contain a covenant by the Substituted Obligor and the Issuer to indemnify and hold harmless each Warrantholder 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 Warrantholder by any political sub-division or taxing authority of any country in which such Warrantholder 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 Obligor and the Issuer (a) that each of the Substituted Obligor 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 Obligor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Warrantholder;
- (iv) each stock exchange which has Warrants listed or admitted to trading thereon shall have confirmed that following the proposed substitution of the Substituted Obligor such Warrants would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
- (v) the Substituted Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Warrantholders at the specified office of the Issuing and Paying Agent;
- (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the 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 Obligor for the Issuer and to be available for inspection by Warrantholders at the specified office of the Issuing and Paying Agent; and
- (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Obligor for the Issuer and to be available for inspection by Warrantholders at the specified office of the Issuing and Paying Agent.

- (B) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Obligor need have any regard to the consequences of any such substitution for individual Warrantholders 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 Warrantholder, except as provided in Condition 13(A)(ii), shall be entitled to claim from the Issuer or any Substituted Obligor under the Warrants 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 Obligor shall be deemed to be named in the Warrants as the principal obligor in place of the Issuer and the Warrants 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 obligor in respect of the Warrants save that any claims under the Warrants prior to release shall enure for the benefit of Warrantholders.
- (D) The Documents shall be deposited with and held by the Issuing and Paying Agent for so long as any Warrants remain outstanding and for so long as any claim made against the Substituted Obligor by any Warrantholder in relation to the Warrants or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and the Issuer shall acknowledge in the Documents the right of every Warrantholder to the production of the Documents for the enforcement of any of the Warrants or the Documents.
- (E) Not later than 15 business days after the execution of the Documents, the Substituted Obligor shall give notice thereof to the Warrantholders in accordance with Condition 10.

14 Governing Law and Jurisdiction

- (A) The Warrants and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Warrants or the Agency Agreement shall be governed by, and shall be construed in accordance with, Dutch law.
- (B) The courts of the Netherlands shall have exclusive jurisdiction to settle any disputes that may, directly or indirectly, arise out of or in connection with any Warrants or the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with any Warrants or the Agency Agreement) and accordingly any legal action or proceedings arising out of or in connection with any Warrants or the Agency Agreement (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of the Netherlands and waives any objection to Proceedings in such courts on the ground of venue. This submission is made for the benefit of each of the holders of the Warrants 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).

ANNEX 1: TERMS AND CONDITIONS OF SHARE WARRANTS

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Share Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional terms and conditions set out below (**Share Warrants Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Share Warrant Conditions the Share Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Share Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Additional Defined Terms

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

Additional Disruption Event means Change in Law and/or Insolvency Filing, and/or Hedging Disruption, and/or Increased Cost of Hedging and/or any such other event specified in the applicable Final Terms.

Basket means a basket composed of the Shares of each Share Issuer as specified in the applicable Final Terms in the relative proportions and/or numbers of Shares of each Share Issuer specified in the applicable Final Terms.

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

De-listing means that an Exchange announces that pursuant to its rules one or more of the Shares specified in the applicable Final Terms has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and 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 relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union).

Disrupted Day means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant 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, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange means, in respect of a Share, the Exchange specified for such Share in the applicable Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

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

Exchange Disruption means, in respect of a Share, 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, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

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

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

Insolvency Filing means, in respect of a Share, that the Calculation Agent determines that the relevant 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.

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 one or more of the Shares specified in the applicable Final Terms, any (i) reclassification or change of such 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 relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such 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 per

cent of the outstanding Shares of the relevant 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 relevant Share Issuer or its subsidiaries with or into another entity in which such 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 per cent. of the outstanding Shares immediately following such event (a **Reverse Merger**), in each case if the Merger Date is on or before the relevant Valuation Date.

Nationalisation means that all the Shares of a Share Issuer or all or substantially all the assets of such 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 relevant 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 relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

Other Consideration means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant 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 one or more of the Shares specified in the Final Terms (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares specified in the applicable Final Terms of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant 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 a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a 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 such 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 in the opinion of the Calculation Agent a diluting or concentrative effect on the theoretical value of one or more of the Shares in the specified in the applicable Final Terms.

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

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

Scheduled Trading Day means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

Shares means the share(s) or other securities specified as such in the applicable Final Terms.

Share Issuer means, in respect of a Share, the issuer of such share, specified as such in the applicable Final Terms.

Tender Offer means, in respect of any Shares, 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 ten (10) per cent. and less than 100 per cent. of the outstanding voting shares of the relevant 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 Issuer are actually purchased or otherwise obtained (as determined by the Calculation Agent).

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

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

2 Adjustments, Consequences of Certain Events and Currency

(A) *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares specified in the applicable Final Terms or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares specified in the applicable Final Terms 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 relevant Shares and, if so:

(i) the Calculation Agent shall (A) request the Issuer to make the corresponding adjustment(s), if any, to any one or more of any Relevant Asset and the Entitlement and/or Exercise Price and/or the Weighting and/or any of the terms and conditions of the Warrants 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 relevant Shares traded on that options exchange; or

(ii) the Calculation Agent shall by giving notice to the Noteholders in accordance with Condition 10, cancel the affected Warrants. If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

(B) *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares specified in the applicable Final Terms, the Issuer may:

(i) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions plus, if already paid, the Exercise Price, all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10; or

(ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Warrants as the Calculation Agent determines appropriate to account for the economic effect on the Warrants of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity

relevant to the relevant Shares or to the Warrants), 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 relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New 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 relevant 'Shares' and the relevant 'Share Issuer', respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms and conditions of the Warrants as it may determine. The Issuer shall give notice of such cancellation, adjustment or deemed change to Warrantholders in accordance with Condition 10.

(C) *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares specified in the applicable Final Terms, then on or after the relevant Tender Offer Date the Issuer may:

- (i) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Tender Offer less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions plus, if already paid, the Exercise Price, all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10; or
- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Warrants as the Calculation Agent determines appropriate to account for the economic effect on the Warrants 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 Warrants), 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 relevant Shares traded on such options exchange and determine the effective date of that adjustment. The Calculation Agent shall give notice of such cancellation or adjustment to Warrantholders in accordance with Condition 10.

(D) *Nationalisation, Insolvency or De-listing*

If in respect of one or more of the Shares specified in the applicable Final Terms or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms and conditions of the Warrants to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) cancel the Warrants. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Nationalisation, Insolvency or De-listing (as the case may be), less, unless specified otherwise in the Final Terms, the cost to the Issuer

of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions plus, if already paid, the Exercise Price, all as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. Notice of any cancellation of the Warrants or determination pursuant to this paragraph shall be given to Warrantholders in accordance with Condition 10.

(E) *Change of Exchange*

If an Exchange is changed, the Issuer may make such consequential modifications to any Relevant Asset and/or the Entitlement and/or the Multiplier and such other terms and conditions of the Warrants as it may deem necessary.

(F) *Price Correction*

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Warrants is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the applicable Final Terms) 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 Warrants to account for such correction.

(G) *Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/ or any other relevant terms and conditions of the Warrants, the Issuer may make such adjustment or adjustments to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier as it deems necessary. The Issuer shall give notice to the Warrantholders of any such adjustment in accordance with Condition 10.

(H) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred in respect of one or more of the Shares specified in the applicable Final Terms, the Issuer may cancel the Warrants. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event, less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10. Notice of any cancellation of the Warrants or determination pursuant to this paragraph shall be given to Warrantholders in accordance with Condition 10.

(I) *Change in currencies*

If, at any time after the issue date of the Warrants, 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 Warrants as the Calculation Agent determines appropriate to preserve the

economic terms of the Warrants. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Warrants.

ANNEX 2: TERMS AND CONDITIONS OF FUND WARRANTS

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Fund Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional Terms and Conditions set out below (**Fund Warrants Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Fund Warrant Conditions the Fund Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Fund Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Additional defined terms

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

Additional Extraordinary Fund Event means any additional event specified in the related Final Terms.

Basket means a basket composed of the Fund Shares specified in the applicable Final Terms and in the relative proportions specified in the applicable Final Terms.

Calculation Date means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Business Day.

Fund Documents means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares specified in the applicable Final Terms as amended from time to time.

Fund Reporting Date means, in respect of the Fund Shares and a Calculation Date, the date on which the NAV per Fund Share is reported or published in respect of such Calculation Date.

Fund Service Provider means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the applicable Final Terms.

Fund Share(s) means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the applicable Final Terms.

Hedge Provider means the party (being, inter alia, the Issuer, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Warrants or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or, in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Warrants.

NAV Barrier has the meaning given to it in the applicable Final Terms.

NAV per Fund Share means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share of such Fund Shares as of the

relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service or, (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares.

NAV Trigger Event means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

NAV Trigger Percentage means the percentage specified as such in the applicable Final Terms.

NAV Trigger Period means the period specified as such in the applicable Final Terms.

Number of NAV Publication Days means the number of calendar days specified as such in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

Scheduled Trading Day means any day on which the relevant Exchange(s) and each relevant Related Exchange are scheduled to be open for trading for their regular trading sessions.

Termination Amount means an amount in the Settlement Currency calculated as specified in the applicable Final Terms.

Termination Date means (i) the date specified in the applicable Final Terms, or (ii) if Cancellation on the Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Expiration Date.

Valuation Time means the time specified in the applicable Final Terms.

2. Extraordinary Fund Events

Extraordinary Fund Event means, in the determination of the Calculation Agent, the occurrence at any time on or after the Trade Date of any of the following events and for any applicable Additional Extraordinary Fund Event:

- (A) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or

insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;

- (B) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Warrants;
- (C) the Fund Service Provider or other agents or entity fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (D) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (E) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Share, or any change in the periodicity of the calculation or the publication of the NAV per Fund Share, or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund, (including, without limitation, the suspension of the NAV per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (F) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (G) (i) the occurrence of any event affecting a Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Share, and such event continues for at least 14 calendar days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to

the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Share;

- (H) any of the Fund, the administrator of the Fund or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (I) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Warrants;
- (J) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants or (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason or (vii) the Issuer, the Hedge Provider, or any affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;
- (K) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (L) a NAV Trigger Event occurs;

- (M) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (N) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (O) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the investment advisor or the management company or sub-manager, as the case may be, fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (P) one or more changes occurs in respect of the exposure of the Hedge Provider, including but not limited to the creation of a leveraged class of fund shares, which have or may have a material adverse effect on the Hedge Provider's hedging activities in respect of the Warrants;
- (Q) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants (a **Tax Event**) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (R) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a **Relevant Event**) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event; or

- (S) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Warrants would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Warrants;

3. Consequences of an Extraordinary Fund Event

Following the occurrence of an Extraordinary Fund Event and/or an Additional Extraordinary Fund Event specified in the applicable Final Terms (a **Substitution Event**), the Calculation Agent shall, unless otherwise specified in the applicable Final Terms, either (i) effect a Substitution (as defined below) or (ii) if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, cancel the Warrants by payment of the Termination Amount on the Termination Date.

(A) Substitution

Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, have the option to substitute the relevant Fund with an index (the **Replacement Index**) (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion which reflects or tracks the performance of one or more hedge funds and may be (but is not obliged to be) a Potential Replacement Index; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a **Substitution**), in its sole and absolute discretion amend such of the terms of the Terms and Conditions and/or the applicable Final Terms as it determines to be appropriate to take account of such Substitution.

(B) Termination

A 'Termination Event' shall be deemed to have occurred in respect to any Fund or Fund Share if any of the Extraordinary Fund Events set out in sub-paragraphs (q) to (s) of Fund Warrant Condition 2 (Extraordinary Fund Events) or any Additional Extraordinary Fund Event specified in the applicable Final Terms as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall cancel the Warrants on the Termination Date by payment to each Holder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

ANNEX 3: TERMS AND CONDITIONS OF INDEX WARRANTS

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Index Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional Terms and Conditions set out below (**Index Warrant Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Index Warrant Conditions the Index Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Index Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1 Additional Defined Terms

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

Additional Disruption Event means a Change in Law or any such other event specified in the applicable Final Terms.

Basket means a basket composed of each index as specified in the applicable Final Terms in the relative proportions specified in the applicable Final Terms.

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

Disrupted Day means, in respect of an Index, any Scheduled Trading Day on which (i) if '**Multi-Exchange Index**' is specified in the applicable Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, (ii) if '**Non Multi-Exchange Index**' is specified in the applicable Final Terms, (a) the relevant Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session or (c) on which a Market Disruption Event has occurred.

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

Exchange(s) means, in respect of an Index, if '**Non Multi-Exchange Index**' is specified in the applicable Final Terms, the Exchange specified for such Index in the Final Terms and, if '**Multi-Exchange Index**' is specified in the applicable Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (provided that the Calculation Agent

has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

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

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

Index means one of the indices specified as such in the applicable Final Terms or any Successor Index, and **Indices** means all such indices together.

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

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

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

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

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

Market Disruption Event means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, provided that, if '**Multi-Exchange Index**' is specified in relation to that Index in the Final Terms, the securities comprised in

the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

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

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

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

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

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

Valuation Time means:

- (i) where the relevant Index is specified in the applicable Final Terms as being a Multi-Exchange Index, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (B) in all other circumstances, the time at

which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (A) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

- (ii) where the relevant Index is specified in the applicable Final Terms as not being a Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

2 Adjustments, Consequences of Certain Events and Currency

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

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to any terms and conditions of the Warrants, the Issuer may make any adjustment or adjustments to the terms and conditions of the Warrants as it deems necessary. The Issuer shall give notice to the holders of the Warrants of any such adjustment in accordance with Condition 10.

(B) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be the fair market value (as determined by the Calculation Agent) as at the date of such payment taking into account the Additional Disruption Event, less, unless specified otherwise in the Applicable Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions. Notice of any determination pursuant to this paragraph shall be given to Warrantholders in accordance with Condition 10.

(C) *Change of Exchange*

If an Exchange is changed, the Issuer may make such consequential modifications to the terms and conditions of the Warrants as it may deem necessary.

(D) *Price Correction*

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Warrants is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the applicable Final Terms) 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 Warrants to account for such correction.

(E) *Currency*

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the terms and conditions of the Warrants (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the terms and conditions of the Warrants as it deems necessary. The Issuer shall give notice to the holders of the Warrants of any such adjustment in accordance with Condition 10.

3 Index Disclaimer

The Warrants are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Warrants. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the Issuer and the Calculation Agent will obtain information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

ANNEX 4: TERMS AND CONDITIONS OF COMMODITY WARRANTS

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Commodity Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional Terms and Conditions set out below (**Commodity Warrant Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Commodity Warrant Conditions the Commodity Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Commodity Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Additional defined terms

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

Additional Disruption Event means Change in Law and/or any such other event specified in the applicable Final Terms.

Basket of Commodities means a basket composed of the Commodities or Commodity Indices specified in the applicable Final Terms in the relative proportions specified in the applicable Final Terms.

Calculation Agent Determination means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

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

Commodity means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified as such in the applicable Final Terms, and related expressions shall be construed accordingly or the relevant Commodity Reference Price.

Commodity Business Day means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price.

Commodity Fallback Value means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent.

Commodity Index means an index comprising one or more Commodities or Commodity Futures contracts (each a **Component**).

Commodity Reference Price means, in respect of any Commodity or Commodity Index the price specified as such in the applicable Final Terms.

Component Futures means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a **Component Future**).

Delayed Publication or Announcement means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

Delivery Date means the date specified as such in the applicable Final Terms.

Disappearance of Commodity Reference Price means (i) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component.

Exchange means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified as such in the applicable Final Terms or in the Commodity Reference Price.

Fallback Reference Price means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

Index Component Disruption Event means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the

occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source.

Material Change in Content means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity, or, in the case of a Commodity Index, Component.

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

Nearby Month when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) '**First Nearby Month**' means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) '**Second Nearby Month**' means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

Postponement means that the Pricing Date will be deemed to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless a Market Disruption Event continues to exist (measured from the original day that would have been such Pricing Date) for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the eighth Commodity Business Day shall be deemed to be the Pricing Date (notwithstanding the fact that a Market Disruption Event exists or is continuing on such day), and the next Disruption Fallback specified will apply.

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

Price Source Disruption means (i) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

Pricing Date means each date specified in the Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day.

Reference Dealers means four leading dealers in the relevant Commodities market selected by the Calculation Agent.

Relevant Price means, in respect of any Commodity or Commodity Index and a day, the Commodity Reference Price in respect of such Commodity or such Commodity Index, as the case may be, on such day.

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

Tax Disruption means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to,

the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

Trading Disruption means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (A) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

Valuation Time means the time specified in the applicable Final Terms.

2. **Market Disruption**

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price for that Pricing Date will be determined by the Calculation Agent, in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price:

Market Disruption Event means the occurrence of any of the following events:

- (A) with respect to all Commodities:
 - (i) Price Source Disruption;
 - (ii) Commodity Trading Disruption;
 - (iii) Disappearance of Commodity Reference Price; and
- (B) with respect to all Commodities other than gold, silver, platinum or palladium:
 - (i) Material Change in Formula;

- (ii) Material Change in Content; and
 - (iii) any additional Market Disruption Events as specified in the applicable Final Terms; and
- (C) with respect to a Commodity Index:
- (i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price or (y) closing price for any futures contract included in the Commodity Index;
 - (ii) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or
 - (iii) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

3. Disruption Fallbacks

"Disruption Fallback" means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

- (A) Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (i) the Calculation Agent shall determine if such event has a material effect on the Warrants and, if so, shall calculate the Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (ii) unless Cancellation on Occurrence of Market Disruption Event is specified as not applicable in the applicable Final Term, on giving notice to Holders in accordance with General Condition 10, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(B) Tax Disruption and/or Additional Disruption Event

If the Calculation Agent determines in good faith that a Tax Disruption or an Additional Disruption Event has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption or an Additional Disruption Event has a material effect on the Warrants and if so: (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Warrants or, (ii) if it determines that such adjustments cannot be made, on giving notice to Holders in accordance with General Condition 10, the Issuer shall cancel all but not some only of the Warrants, each Warrant being settled by payment of an amount equal to the fair market value of a Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(C) Price Source Disruption and Trading Disruption

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

(D) Index Component Disruption

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The applicable Final Terms may specify any Additional Disruption Fallback(s) that will apply.

4. **Adjustments to a Commodity Index**

(A) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the **Successor Index Sponsor**) acceptable to the Issuer, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that index (the **Successor Index**) will be deemed to be the Commodity Index.

(B) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and

(iii)) (such events (i) (ii) and (iii) to be collectively referred to as **Index Adjustment Events**) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

ANNEX 5: TERMS AND CONDITIONS CURRENCY WARRANTS

*Is specified as applicable in the applicable Final Terms the terms and conditions applicable to Currency Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional terms and conditions set out below (**Currency Warrant Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Currency Warrant Conditions the Currency Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Currency Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

Disrupted Day means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

Dual Exchange Rate means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

Illiquidity Disruption means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Warrants (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source).

Price Source means, in respect of a Subject Currency the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

Price Source Disruption means that it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate or rates required to calculate the Settlement Price.

Scheduled Trading Day means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies.

Settlement Price Date means the Strike Date or Valuation Date, as the case may be.

Specified Maximum Days of Disruption means the number of days specified in the applicable Final Terms, or if not so specified, 5 Scheduled Trading Days.

Strike Date means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Warrant Condition 3 (Consequences of a Disruption Event) shall apply.

Valuation Date means the date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Warrant Condition 3 (Consequences of a Disruption Event) shall apply.

Valuation Time means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated.

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

2. **Disruption Events**

Unless otherwise stated in the applicable Final Terms the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

- (A) Price Source Disruption;
- (B) Illiquidity Disruption;
- (C) Dual Exchange Rate;
- (D) any other event that, in the opinion of the Calculation Agent, is analogous to (i), (ii) or (iii); or
- (E) any other event specified in the applicable Final Terms.

The Calculation Agent shall give notice as soon as practicable to Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date or Settlement Price Date, as the case may be.

3. **Consequences of a Disruption Event**

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

Disruption Fallback means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i) or (ii) below.

- (i) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of the Strike Date or Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive

Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or

- (ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Valuation Date, on giving notice to Holders in accordance with General Condition 10, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

ANNEX 6: TERMS AND CONDITIONS OF DEBT WARRANTS

*The terms and conditions applicable to Debt Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional terms and conditions set out below (**Debt Warrant Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Credit Warrant Conditions the Credit Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Credit Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. **Market Disruption**

Market Disruption Event shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

2. **Correction of Debt Security Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

ANNEX 7: TERMS AND CONDITIONS OF FUTURES WARRANTS

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Futures Warrants shall comprise the General Warrants Conditions as set out on pages 129-153 and the additional terms and conditions set out below (the **Futures Warrants Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Warrants Conditions and the Futures Warrants Conditions, the Futures Warrants Conditions shall prevail. In the event of any inconsistency between (i) the General Warrants Conditions and/or the Futures Warrants Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

Additional Disruption Event means Change in Law and/or any such other event specified in the applicable Final Terms.

Basket of Futures means a basket composed of each Future specified in the applicable Final Terms in the relative proportions specified in the applicable Final Terms.

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

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

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

Exchange Business Day means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time.

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

Futures means, subject to adjustments in accordance with this Annex 7, in the case of an issue of Warrants relating to a single Future, the futures contract and, in the case of an issue of Warrants relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly.

Market Disruption Event means, in relation to Warrants relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

Scheduled Trading Day means any day on which the relevant Exchange(s) is scheduled to be open for trading for its regular trading sessions.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

2. Adjustments

(A) *Futures Modification, Futures Replacement or Futures De-Listing*

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

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Warrants and, if so, shall use the Future(s) so modified or substitute Future(s) in lieu of the initial Future(s) for the purpose of making determination under the Warrants; or
- (ii) cancel the Warrants by giving notice to Warrantholders notice in accordance with General Warrants Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(B) *Notice*

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

3. Price Correction

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination under the Warrants, is subsequently corrected and the correction published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

FORM OF FINAL TERMS FOR WARRANTS

Set out below is the form of Final Terms which will be completed for each issue of Warrants issued by the Issuer under the Programme.

Final Terms

dated [●]

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Issue of [Aggregate Amount of Tranche]

[Title of Warrants]

issued pursuant to the

Leveraged Certificates, Warrants and Certificates Programme

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 35 of Part A below, provided such person is one of the persons mentioned in Paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances]¹.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Warrants in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Warrants. Accordingly any person making or intending to make an offer in that Relevant Member State of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances]².

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 24 September 2009 [which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)]. This document constitutes the Final Terms applicable to the issue of Warrants described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the

¹ Only include if a non-exempt offer of Warrants is anticipated

² Only include if an exempt offer of Warrants is anticipated.

offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Written or oral requests for such document should be directed to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB The Netherlands, telephone number +31 (0)30 2160000.

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in, the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Warrants described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**)] and must be read in conjunction with the Base Prospectus dated [current date] [which constitutes a base prospectus for the purposes of the Prospectus Directive], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date]. Copies of the Base Prospectuses may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.. Written or oral requests for such documents should be directed to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB The Netherlands, telephone number +31 (0)30 2160000.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When completing any final terms, adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

DESCRIPTION OF THE WARRANTS

1. Issuer: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A
2. (a) Series Number: []
 (b) Consolidation: The Warrants are to be consolidated and form a single series with the *[insert title of relevant series of Warrants]* issued on *[insert issue date]*. *(N.B Only applicable in relation to Warrants which are fungible with an existing series of Warrants)*
3. Type of Warrants:
 - (a) [Call/Put Warrants]
 - (b) [Index Linked Warrants / Share Linked Warrants / Currency Linked Warrants/ Commodity Linked Warrants / Fund Linked Warrants / Debt Linked Warrants / Futures Linked Warrants / *(specify other type of Warrant)*]
 - (c) [European/American/*other*] style
4. Issue Date: []
5. Exercise Date/Period: [], provided that, if such date is not an Exercise Business

Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day. [(the **Scheduled Exercise Date**)],

(N.B. Only applicable in relation to European Style Warrants)

The Exercise Period in respect of the Warrants is from and including [] to and including [] [, or if [] is not an Exercise Business Day, the immediately succeeding Exercise Business Day]

(N.B. Only applicable in relation to American Style Warrants)

6. Settlement Date: (A) [In relation to each Actual Exercise Date (N.B. *Insert for American Style Warrants*)], [the [fifth] Business Day following the [final] Valuation Date [provided that if the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more [Indices/Shares,] being adjusted as set out in the definition of 'Valuation Date' as defined in the [General Warrants Conditions], the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any [Index/Share].] [The fifth Business Day following the last occurring Averaging Date [provided that if the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more [Indices/Shares] being adjusted as set out in the definition of 'Averaging Date' as set out in the [General Warrants Conditions], the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any [Index/Share].] *[other]* (N.B. *Only applicable in relation to Cash Settled Warrants*)
7. Number of Warrants being [] issued:
8. Issue Price: The issue price per [Warrant/Unit] is []
9. Cash Settlement Amount: *[Insert details of how Cash Settlement Amount is to be calculated/ As per General Warrants Condition 4]*
10. Business Day Centre(s): []
11. Settlement: Settlement will be by way of [cash payment (**Cash Settled**)] [and/or] [physical delivery (**Physical Delivery**)].
12. Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Warrants.
13. Settlement Currency: []
14. Calculation Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)

15. Units: [Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out above. *(N.B. This is in addition to any requirements relating to 'Minimum Exercise Number' or 'Maximum Exercise Number' set out below).*]
16. Exercise Price: The Exercise Price per [Warrant/Unit] is [●]. *(N.B. This should, in the case of an Index Warrants, be expressed as a monetary value).*
17. Automatic Exercise: Automatic exercise [applies/does not apply] to the Warrants.
18. Exchange Rate: The Exchange Rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount is [].
19. Minimum Exercise Number: The minimum number of Warrants that may be exercised on any day by any Warrantholder is [] [and Warrants may only be exercised in integral multiples of [] Warrants in excess thereof].
20. Maximum Exercise Number: The maximum number of Warrants that must be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is []. *(N.B. not applicable for European Style Warrants)*

PROVISIONS RELATING TO TYPE OF WARRANTS

21. Index Warrants [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [The provisions of Annex 3: Terms and Conditions of Index Warrants shall apply.]
- (a) Index/Basket of Indices/Index Sponsors: [Single Index/Basket of indices]
[The [] Index is a Multi-Exchange Index]
[The Index Currency for the [] Index is []]
- (b) Index Sponsor(s): [●]
- (c) Averaging Dates: [●]
[In the event that an Averaging Date is a Disrupted Day, [Omission]/[Postponement]/[Modified Postponement] will apply].
- (d) Settlement Price: [] *(N.B. complete only if different from the definition contained in the General Warrants Conditions)*
- (e) Weighting: [The weighting to be applied to each item comprising the Basket is []]. *(N.B. Only applicable in relation to Index Warrants relating to a Basket)]*

- (f) Exchange Rate: [Applicable/Not Applicable]
[insert details]
- (g) Exchange(s): []
- (h) Related Exchange: []/[All Exchanges]
- (i) Valuation Date(s): []
- (j) Valuation Time: []
- (k) Observation Date(s): []
- (l) Observation Period: []
- (m) Disrupted Day: [Applicable / If the Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant level or price will be calculated *[insert calculation method]*].

(N.B. Only applicable where provisions in Terms and Conditions for Index Warrants are not appropriate)
- (n) Trade Date: []
- (o) Additional Disruption Events: [Applicable/ Not Applicable]
- (p) Other terms or special conditions: []

22. Share Warrants: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 1: Terms and Conditions Share Warrants shall apply.]

- (a) Share(s) / Basket of Shares: []
- (b) Averaging Date: []

[In the event that an Averaging Date is a Disrupted Day, [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (c) Settlement Price: [] *(N.B. complete only if different from the definition contained in Annex 1: Terms and Conditions of the Share Warrants)*

[Omission/Postponement/Modified Postponement]

- (d) Exchange Rate: [Applicable/Not Applicable]
[insert details]
- (e) Weighting: [The weighting to be applied to each item comprising the Basket is []. (N.B. Only applicable in relation to Futures Warrants relating to a Basket)]
- (f) Exchange(s): []
- (g) Related Exchange: []/[All Exchanges]
- (h) Valuation Date(s): []
- (i) Valuation Time: []
- (j) Observation Date(s): []
- (k) Observation Period: []
- (l) Disrupted Day: [If the Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant price will be calculated [insert calculation method]

(N.B. Only applicable where provisions in Terms and Conditions for Share Warrants are not appropriate).
- (m) Tender Offer: [Applicable / Not Applicable]
- (n) Share Substitution: [Applicable/Not Applicable]

[If Applicable: Share Substitution Criteria is [].]
- (o) Trade Date: []
- (p) Additional Disruption Events: The following Additional Disruption Events apply to the Share Warrants:

[Change of Law]

[Hedging Disruption]

[Increased costs of Hedging]

[Insolvency Filing]

[Specify other]
- (q) Other terms or special conditions: []

23. Debt Warrants: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this

paragraph)

[The provisions of Annex 6: the Debt Warrants shall apply.]

(a) Debt Securities/Basket of Debt Securities:

[(ISIN: [])]

(b) Settlement Price:

[]

(N.B. Complete only if different from definition contained in the General Warrants Conditions)

(c) Weighting:

[The weighting to be applied to each item comprising the Basket is []. *(N.B. Only applicable in relation to Debt Warrants relating to a Basket)*]

(d) Averaging Dates:

[]

[In the event that an Averaging Date is a Disrupted Day, [Omission]/[Postponement]/[Modified Postponement] will apply].

(e) Valuation Date(s):

[]

(f) Valuation Time:

[]

(g) Observation Period:

[]

(h) Scheduled Trading Day:

[]

(i) Relevant Screen Page:

The relevant screen page (**Relevant Screen Page**) is [●]

(j) Redemption of Debt Securities:

Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the Debt Warrants, *[insert appropriate fallback provisions]*.

(k) Other terms or special conditions:

[]

24. Currency Warrants:

[Applicable/ Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 5: Terms and Conditions of the Currency Warrants shall apply.]

(a) Relevant Screen Page:

[]

(b) Base Currency:

[]

(c) Subject

[Currency/Currencies]:

[]

- (d) Weighting: [The weighting to be applied to each item comprising the Basket is []. (N.B. Only applicable in relation to Currency Warrants relating to a Basket)]
- (e) Price Source: []
- (f) Averaging Dates: []
- (g) Settlement Price: []
- (h) Valuation Date(s): []
- (i) Valuation Time: []
- (j) Additional Disruption Event: [Applicable/Not Applicable]
- (k) Other terms or special conditions: []

25. Commodity Warrants: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 4: Terms and Conditions of the Commodity Warrants shall apply.]

- (a) Commodity/Basket of Commodities/
Commodity Index/Basket of Commodity Indices: [Single Commodity/Basket of Commodities/
Commodity Index/Basket of Commodity Indices]
- (b) Commodity Reference Price: []
- (c) Price Source: []
- (d) Exchange: []
- (e) Delivery Date: []
- (f) Pricing Date: []
- (g) Averaging Date: []
- (g) Settlement Price: (N.B. Only complete if different from definition contained in the General Warrants Conditions)
- (h) Additional Commodity Market Disruption Events: [specify any additional Commodity Market Disruption Events]

Additional provisions for Commodity Trading Disruption: [Not Applicable]
[If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates]

Disruption Fallback(s): [As set out in Annex 4 Commodity Warrants]/[]

(i) Trade Date: []

(j) Weighting: The weighting to be applied to each item comprising the Basket is []

(N.B. Only applicable in relation to Commodity Warrants relating to a Basket)

(k) Specified Price: [high price]
 [low price]
 [average of the high price and the low price]
 [closing price]
 [opening price]
 [bid price]
 [asked price]
 [average of the bid price and the asked price]
 [settlement price]
 [official settlement price]
 [official price]
 [morning fixing]
 [afternoon fixing]
 [spot price]
 [other]

(l) Valuation Time: []

(m) Other terms or special conditions: []

26. Fund Warrants: (If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The provisions of Annex 2: Terms and Conditions of Fund Warrants shall apply.]

- (a) Fund/Basket of [] Funds:
 [Exchange for each Fund Share: []]
 [Related Exchange for each Fund Share: []/All Exchanges]
 [Underlying Index: []]
- (b) Fund Interest(s): []
- (c) Trade Date: []
- (d) Weighting: [The weighting to be applied to each item comprising the Basket is []. (N.B. Only applicable in relation to Funds Warrants relating to a Basket)]
- (e) Valuation Date(s): []
- (f) Valuation Time: []
- (g) NAV Barrier []
- (h) NAV Trigger Percentage []
- (i) NAV Trigger Period []
- (j) Number of NAV Publication Days []
- (k) Averaging Dates: []
 [In the event that an Averaging Date is a Disrupted Day, [Omission]/[Postponement]/[Modified Postponement] will apply].
- (l) Settlement Price []
- (m) Additional Extraordinary Fund Event []
- (n) Termination Date: []
- (o) Termination Amount: []
- (p) Other terms or special conditions: []

27. Futures Warrants [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this

paragraph)

[The provisions of Annex [5]: Terms and Conditions of the Commodity Warrants shall apply.]

(a) Futures/Basket of Futures: [Single/Basket of Futures]

[insert type of Futures]

(b) Exchange(s): *[specify]*

(c) Weighting: [The weighting to be applied to each item comprising the Basket is [] NB. Only applicable in relation to *Futures Warrants relating to a Basket*]

(d) Averaging Dates: []

[In the event that an Averaging Date is a Disrupted Day, [Omission]/[Postponement]/[Modified Postponement] will apply.]

(e) Settlement Price: [] (*N.B. Only complete if different from definition contained in the General Warrants Condition.*)

(f) Valuation Date(s): []

(g) Valuation Time: []

PROVISIONS FOR PHYSICAL DELIVERY

28. Relevant Asset(s): []

29. Entitlement: The Entitlement (as defined in General Warrants Condition 3) in relation to each Warrant is [].

The Entitlement will be evidenced by *[insert details of how the Entitlement will be evidenced]*.

The Entitlement will be delivered *[insert details of the method of delivery of the Entitlement]*.

(N.B. paragraphs 28- 29 only applicable in relation to Physical Delivery Warrants)

30. Other Final Terms: [Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such amendments would be acceptable as Final Terms or whether such terms constitute 'significant new factor' and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the use of a Securities Note or 'unitary' Prospectus.)

DISTRIBUTION

31. Method of distribution: [Syndicated/Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, and addresses and underwriting commitments]
(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a 'best efforts' basis if such entities are not the same as the Managers)
- (b) Date of Subscription Agreement: []
32. Stabilising Manager (if any): []
33. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [[●] per cent of the aggregate nominal amount]
35. Non exempt Offer*:
- [Not Applicable] [An offer of Warrants may be made by the Manager[s] [and [specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as 'the Issue Date' or 'the date which falls [] Business Days thereafter'] (**Offer Period**). See further Paragraph 13 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)
36. Additional selling restrictions: [Not Applicable/give details]

* Not relevant for an issue of Warrants with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency).

PURPOSE OF FINAL TERMS

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

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading: [Application [has been]/[will be] made by the Issuer (or on its behalf) for the Warrants to be admitted to trading on Euronext Amsterdam by NYSE Euronext / other (*specify*) [Not Applicable.]

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

2. RATINGS

Ratings: [The Warrants to be issued will not be rated]

The Warrants to be issued have been rated:

[S&P: [●]]

[Fitch: [●]]

[Moody's: [●]]

[[Other]: [●]]

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

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

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer - *amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

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

(a) Reasons for the offer: []

(See 'Use of Proceeds' wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)

(b) Estimated net proceeds: []

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

- (c) Estimated total expenses: ☐ *[Expenses are required to be broken down into each principal intended 'use' and presented in order of priority of such "uses".]*

5. PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (*INDEX WARRANTS ONLY*)

[Need to include details of where past and future performance and volatility of [the/each] index can be obtained]. [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.] [Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

[The Issuer does not intend to produce any post-issuance information]

6. PERFORMANCE OF [THE SHARE/BASKET OF SHARES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE SHARE/BASKET OF SHARES]] (*SHARE WARRANTS ONLY*)

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

[The Issuer does not intend to produce any post-issuance information]

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

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

[The Issuer does not intend to produce any post-issuance information]

8. PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES]] (COMMODITY WARRANTS ONLY)

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

[The Issuer does not intend to produce any post-issuance information]

9. PERFORMANCE OF [THE FUND/BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND /BASKET OF FUNDS]] (FUND WARRANTS ONLY)

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

[The Issuer does not intend to produce any post-issuance information]

10. PERFORMANCE OF [THE FUTURE/BASKET OF FUTURES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUTURE/BASKET OF FUTURES]] (FUTURES WARRANTS ONLY)

[Need to include details of [the/each] future, [the relevant weighting of each future within a basket of future] and where past and future performance and volatility of [the/each] [Future/basket of futures] can be obtained.] [need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[The Issuer does not intend to produce any post-issuance information]

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

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

[The Issuer does not intend to produce any post-issuance information]

12. OPERATIONAL INFORMATION

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

13. TERMS AND CONDITIONS OF THE OFFER (*Public Offer Only*)

- (a) Offer Price: [Issue Price/give details]
- (b) Conditions to which the offer is subject: [Not Applicable/give details]
- (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable/give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/give details]
- (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- (f) Details of the minimum and/or maximum amount of application:¹ [Not Applicable/give details]
- (g) [Details of the method and time limits for paying up and delivering the Warrants:] [Not Applicable/give details]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable/give details]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable/give details]
- (j) [Categories of potential investors] [Not Applicable/give details]

¹ Whether in number of certificates or aggregate amount to invest.

to which the Certificates are offered and whether tranche(s) have been reserved for certain countries:]

- (k) [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable/give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable/give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable/give details]
- (n) [Description of the application process:] [Not Applicable/give details]

SECTION C: TERMS AND CONDITIONS OF THE CERTIFICATES

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

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the **Issuer**) may from time to time issue exercisable certificates (such exercisable certificates being hereinafter referred to as the **Certificates**) pursuant to an Agency Agreement dated as of 24 September 2009 (as modified, supplemented and/or restated as at the issue date of the Certificates, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the **Issuing and Paying Agent**, which expression shall include any additional or successor Issuing and Paying Agent) and the other Paying Agents named therein (together with the Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor Paying Agents).

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

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

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

References herein to the 'applicable Final Terms' are to the Final Terms related to a specific issue of Certificates registered with Euroclear Netherlands.

Copies of the Agency Agreement and the applicable Final Terms may be obtained during normal office hours from the specified office of the Issuer.

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

Each Certificateholder (as defined in General Certificates Condition 1(C)) is entitled to the benefit of and is deemed to have notice of and is bound by all the provisions of the Agency Agreement (insofar as they relate to the Certificates) and the applicable Final Terms.

1. Type, Title and Transfer

(A) *Type*

The Certificates are Fixed Rate Certificates, Floating Rate Certificates, Share Certificates, Fund Certificates, Index Certificates, Commodity Certificates, Currency Certificates, Debt Certificates or Futures Certificates. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to these different forms of Certificates are set out in Annexes 1 to 7 of the Terms and Conditions of the Certificates as applicable.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (**Cash Settled Certificates**) or physical delivery (**Physical Delivery Certificates**), whether Cash Settled Certificates are redeemable in instalments and whether Averaging (**Averaging**) will apply to the Certificates. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in General Certificates Condition 3 below) applies. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (a) Physical Delivery Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Certificate pursuant to General Certificates Condition 6(C)(i) and where settlement is to be by way of cash payment, and (b) Physical Delivery Certificates where settlement is to be automatically varied to be by way of cash payment pursuant to General Certificates Condition 6(C)(ii). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to General Certificates Condition 6(C)(i) and where settlement is to be by way of physical delivery.

Certificates may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these General Certificates Conditions.

(B) *Title to Certificates*

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

(C) *Transfers of Certificates*

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

(D) *Payments in respect of Certificates*

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

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

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

(E) *Delivery of Certificates*

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

2. Status of the Certificates

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

3. Definitions

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

Affiliate means in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity;

Averaging Date means:

- (A) in the case of Index Certificates, Share Certificates, Credit Certificates or Currency Certificates, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if '**Omission**' is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if '**Postponement**' is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if '**Modified Postponement**' is specified as applying in the applicable Final Terms then:
 - (a) where the Certificates are Index Certificates relating to a single Index or Share Certificates relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (A) (i) of the definition of Valuation Date below;
 - (b) where the Certificates are Index Certificates relating to a basket of Indices or Share Certificates relating to a basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for each Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (A) (ii) of the definition of 'Valuation Date' below; and
 - (c) where the Certificates are Credit Certificates or Currency Certificates provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(B) in the case of Commodity Certificates, each date specified as such in the applicable Final Terms;

Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open (a **Target Settlement Day**) and a day on which the relevant Clearing System is open for business;

Cash Settlement Amount means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

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

Cut-off Date means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the fifth Business Day immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

Distribution Compliance Period means the period expiring 40 days after completion of the distribution of the relevant Certificates unless a longer period is specified in the applicable Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and redemption applicable to the Certificates;

Entitlement means, in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Certificate Expenses as defined in General Certificates Condition 11) rounded down as provided in General Certificates Condition 6(B)(4), as determined by the Calculation Agent including any documents evidencing such Entitlement;

Local Time means local time in the city of the relevant Clearing System;

Observation Date means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions contained in the definition of 'Averaging Date' shall apply *mutatis mutandis* as if references in such provisions to 'Averaging Date' were to 'Observation Date';

Observation Period means the period specified as the Observation Period in the applicable Final Terms;

Reference Banks means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

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

trading session hours, subject, in respect of Index Certificates to sub-paragraphs (B) and (C) of the definition of Valuation Time, and subject, in respect of Share Certificates, to sub-paragraph (C) of the definition of Valuation Time;

Scheduled Strike Date means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

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

Specified Maximum Days of Disruption means (other than with respect to Commodity Certificates) eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms;

Strike Date means, in the case of Index Certificates or Share Certificates, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (A) where the Certificates are Index Certificates relating to a single Index or Share Certificates relating to a single Share, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:
 - (i) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Certificates, in accordance with its good faith estimate of the relevant value or price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (B) where the Certificates are Index Certificates relating to a basket of Indices or Share Certificates relating to a basket of Shares, the Strike Date for each Index or Share, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index or Share affected, as the case may be (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted

Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (ii) in the case of a Share, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day;

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

Valuation Date means:

in the case of Index Certificates, Share Certificates or Debt Certificates, unless otherwise specified in the applicable Final Terms, the Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (A) where the Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share or Debt Certificates relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (i) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Certificates or Debt Certificates, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

- (B) where the Certificates are Index Certificates relating to a basket of Indices, Share Certificates relating to a basket of Shares or Debt Certificates relating to a basket of Debt Securities, the Valuation Date for each Index, Share or Debt Security, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share or Debt Security affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

and otherwise in accordance with the above provisions;

Valuation Time means:

- (A) the Valuation Time specified in the applicable Final Terms; or
- (B) in the case of Index Certificates relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (i) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (ii) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (C) in the case of Index Certificates relating to Indices other than Composite Indices or Share Certificates, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;

Weighting means the weighting to be applied to each relevant Basket to ascertain the Settlement Price as specified in the Final Terms.

4. Interest

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest (**Fixed Rate Certificates**), a floating rate of interest (**Floating Rate Certificates**) or by reference to the performance of one or more Index, Share, Debt, Currency, Commodity, Fund or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates being Index, Share, Debt, Currency, Commodity, Fund **Linked Interest Certificates** respectively):

(A) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from and including, the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these General Certificates Conditions mean the period from and including, an Interest Period End Date (or if none the Interest Commencement Date) to but excluding the next (or first) Interest Period End Date (each such latter date the **Interest Period End Final Date** for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including, the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (ii) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (iii) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the applicable Final Terms except as provided in the applicable Final Terms the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on but excluding the Interest Period End Final Date in respect of such Interest Period, will amount to the Fixed Coupon Amount.

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such

sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(B) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of General Certificates Condition 4(D) below and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with General Certificates Condition 4(E) in respect of each Interest Period (which expression shall in these General Certificates Conditions mean the period from and including, an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the **Interest Period End Final Date** for the relevant Interest Period)). For the purposes of this General Certificates Condition 4(B) **Interest Period End Date** shall mean either: (i) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (ii) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including, the Redemption Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with General Certificates Condition 4(B)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the

preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

- (b) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Certificates and Linked Interest Certificates will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph, 'ISDA Rate' for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the Certificates (the **ISDA Definitions**) and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is either (x) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period or (y) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (c), '**Floating Rate**', '**Calculation Agent**', '**Floating Rate Option**', '**Designated Maturity**' and '**Reset Date**' have the meanings given to those terms in the ISDA Definitions.

(iv) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation; or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of sub-paragraph a, no offered quotation appears or, in the case of sub-paragraph b, fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that

which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

(v) Determination of Rate of Interest and Calculation of Interest Amount

In the case of Floating Rate Certificates and Linked Interest Certificates the Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the **Interest Determination Date**), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vi) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii) or (iv) (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of sub-paragraph (ii), (iii), or (iv) above (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(vii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent and the Issuer (such notifications to occur no later than the Business Day following such determination), (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with General Certificates Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Securities holders in accordance with General Certificates Condition 10. For the purposes of the General Certificates Conditions, the expression '**Amsterdam Business Day**' means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(C) Day Count Fractions

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if '**Actual/Actual (ICMA)**' is specified in the applicable Final Terms:
 - (a) in the case of Certificates where the number of days in the relevant period from and including, the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (x) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year;

Determination Date(s) means the date(s) specified in the applicable Final Terms;

Determination Period means each period from and including, a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (b) if **Actual/Actual (ISDA)** or 'Actual/Actual' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if **Actual/365 (sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if **30/360, 360/360** or 'Bond Basis' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (g) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (h) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Redemption Date or (ii) such number would be 31, in which case D₂ will be 30.

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

(D) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

(E) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(F) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Issuing and Paying Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with General Certificates Condition 10.

5. Redemption of Certificates

(A) *General*

Unless the Certificates are Exercisable Certificates, subject as provided in these General Certificates Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (A) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (B) in the case of a Physical Delivery Certificate, subject as provided in General Certificates Condition 6 below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date specified in the applicable Final Terms relating to such Certificate (the **Redemption Date**). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the

Certificates is not a Settlement Business Day (as defined in General Certificates Condition 6(B)(5) below), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Annex 1: Terms and Conditions of Share Certificates, Annex 3 Terms and Conditions of Index Certificates and Annex 4 Terms and Conditions of Commodity Certificates as specified in the applicable Final Terms.

(B) Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

- (A) not less than 15 nor more than 30 days' notice to the Holders in accordance with General Certificates Condition 10; and
- (B) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an **Optional Redemption Date**) and at an amount specified in, or determined in the manner specified in, the applicable Final Terms (the **Optional Redemption Amount**) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Holders of Certificates will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear Netherlands or any relevant Clearing System (as the case may be). So long as the Certificates are listed on the official list of Euronext Amsterdam (**Euronext Amsterdam by NYSE Euronext**) and admitted to trading on the regulated market of AEX and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of AEX (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

(C) Holder Put Option

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the applicable Final Terms).

If the Certificate is held through Euroclear Netherlands and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the notice period, give notice to the Paying Agent concerned of such exercise (the **Put Notice**) in accordance with the standard procedures of Euroclear Netherlands and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear Netherlands and/or any other relevant Clearing System or any common depositary for them to the Paying Agent by electronic means) in a form acceptable to Euroclear Netherlands and/or any other relevant Clearing System from time to time. Any Put Notice given by a Holder of any Certificate pursuant to this General Certificates Condition 5(C) shall be irrevocable.

(D) Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

(E) Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

(F) Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applying in the applicable Final Terms, the Certificates (such Certificates **Exercisable Certificates**) will be automatically exercised on the Exercise Date, subject as provided in the following paragraph. Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Redemption Date.

6. Payments and Physical Delivery

(A) Payments

Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System for value on the Redemption Date (or in the case of Instalment Certificates, on the relevant Instalment Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System.

Subject as provided below, the Issuer shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System.

The Issuer will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System for his share of each such payment so made to, or to the order of, such Clearing System.

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

(B) Physical Delivery

(A) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must deliver to Euroclear Netherlands and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the relevant Paying Agent, a duly completed asset transfer notice (an **Asset Transfer Notice**) in the form set out in the Agency Agreement in accordance with the provisions set out in this General Certificates Condition 6.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (ii) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (iii) specify the number of the Holder's securities account at the relevant Clearing System;
- (iv) irrevocably instruct the relevant Clearing System to debit the relevant Holder's securities account with the relevant Certificates on or before the Redemption Date;
- (v) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder with the relevant Clearing System in respect thereof and to pay such Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (vii) with respect to Currency Certificates only, specify the number of the Holder's account to the relevant Clearing System to be credited with the amount due upon redemption of the Certificates;
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If General Certificates Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System and the relevant Paying Agent.

(B) Verification of the Holder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System or will on or before the Delivery Date debit the securities account of the relevant Holder with the relevant Certificates.

(C) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent immediately after being delivered or sent to the relevant Clearing System, as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System.

The relevant Clearing System shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Issuing and Paying Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the relevant Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this General Certificates Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Paying Agent with a copy to the Issuing and Paying Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuing and Paying Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date), at the risk of such Holder in the manner provided herein. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be,

shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(D) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that, the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Certificate all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in General Certificates Condition 6(B)(1).

For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations comprising the Entitlement (the **Intervening Period**), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable Obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations.

(E) Settlement Disruption

The provisions of this General Certificates Condition 6(B)(5) apply to Physical Delivery Certificates.

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as

delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Certificates Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

Disruption Cash Settlement Price, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion;

Settlement Business Day, in respect of each Certificate, has the meaning specified in the applicable Final Terms relating to such Certificate; and

Settlement Disruption Event means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(F) Failure to Deliver due to Illiquidity

Failure to Deliver due to Illiquidity if specified as applying in the applicable Final Terms, will be an Additional Disruption Event, as described in General Certificates Condition 15(A).

(C) *Variation of Settlement*

The provisions of this General Certificates Condition 6(C) apply to Physical Delivery Certificates.

(A) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may at its sole discretion in respect of each such Certificate, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with General Certificates Condition 10.

(B) If specified in the applicable Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders.

(D) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

The provisions of this General Certificates Condition 6(D) apply to Physical Delivery Certificates.

Following a valid redemption of Certificates in accordance with these General Certificates Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the **Substitute Asset** or the **Substitute Assets**, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Amount**). Notification of any such election will be given to Holders in accordance with General Certificates Condition 10.

For the purposes hereof, a "**freely tradable**" share shall mean a share not subject to any legal restrictions on transfer in the relevant jurisdiction.

(E) Rights of Holders and Calculations

None of the Issuer, the Calculation Agent and the Paying Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Certificates does not confer on any Holder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(F) Prescription

Claims against the Issuer for payment of principal or interest in respect of the Certificates shall become void unless made within 5 years from the due date thereof and no claims shall be made after such date.

7. Illegality and Force Majeure

(A) Illegality

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with General Certificates Condition 10, redeem all but not some only of the Certificates.

If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the relevant Final Terms) as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10.

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

(B) Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Certificates and/or any related hedging arrangements, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Certificates Condition 10.

If the Issuer redeems the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Certificate held by such Holder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10.

8. Purchases

The Issuer may at any time purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation.

9. Agents, Determinations, Meetings Provisions and Modifications

(A) Paying Agents

The specified offices of each Paying Agent are as set out at the end of these General Certificates Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint further or additional Paying Agents, provided that no termination of appointment of the Agent shall become effective until a replacement Paying Agent shall have been appointed and provided that, so long as any of the Certificates are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be an Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority. Notice of any termination of appointment and of any changes in the specified office of the Paying Agent will be given to Holders in accordance with General Certificates Condition 10. In acting under the Agency Agreement, the Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency for or with, the Holders and any determinations and calculations made in respect of the Certificates by the Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the respective Holders.

(B) Calculation Agent

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

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

(C) Determinations by the Issuer

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

(D) Meetings of Holders

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

(E) Modifications

The Issuer may modify these General Certificates Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with General Certificates Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. Notices

All notices to Holders shall be valid if delivered (a) to the relevant Clearing System for communication by them to the Holders, and (b) so long as any Certificates are listed or admitted to trading on a stock exchange, and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in the manner required by the rules of that stock exchange (or relevant authority). Notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. Expenses and Taxation

- (A)* A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption (or in the case of Exercisable Certificates, exercise) of such Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Certificates (**Certificate Expenses**) relating to such Certificates as provided above.

- (B) The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Certificates.

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

Expenses means Certificate Expenses and any Related Expenses.

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

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

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

12. Further Issues

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

13. Substitution of the Issuer

- (A) The Issuer, or any previous substituted company may, at any time, without any further consent of the Holders being required, substitute any directly or indirectly wholly owned subsidiary of the Issuer as principal obligor under the Certificates any company (the **Substitute**), being the Issuer or any other company, subject to:

- (A) the Issuer unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Certificates;
- (B) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Certificates represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;

- (C) the Substitute becoming party to the Agency Agreement (unless the Substitute is a party to the Agency Agreement), with any appropriate consequential amendments, as if it had been an original party to it;
- (D) each stock exchange on which the Certificates are listed shall have confirmed that, following the proposed substitution of the Substitute, the Certificates will continue to be listed on such stock exchange; and
- (E) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with General Certificates Condition 10.

14. Governing Law

- (A) The Certificates and the Agency Agreement and all non-contractual obligations arising out of or in connection with the Certificates and the Agency Agreement are governed by and shall be construed in accordance with Dutch law.
- (B) The courts of the Netherlands shall have exclusive jurisdiction to settle all disputes that may, directly or indirectly, arise out of or in connection with the Certificates and the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Certificates and the Agency Agreement) and consequently the Issuer submits to the exclusive jurisdiction of the Dutch courts to hear all suits, actions or proceedings (together hereafter termed the **Proceedings**) relating to any such dispute.. Nothing in this General Certificates Condition 14 shall limit the right of the Holders to take any Proceedings against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

15. Additional Disruption Events

- (A) **Additional Disruption Event** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow, Failure to Deliver due to Illiquidity, Analogous Event, Cancellation Event, Currency Event, Force Majeure Event and/or Jurisdiction Event in each case if specified in the applicable Final Terms, save that any reference in the definitions of the above Additional Disruption Events to "Share" and "Share Company" shall instead be references to 'Debt Security' and 'Security Issuer' (as defined in the Final Terms) respectively in respect of Debt Security;

Change in Law means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Certificates) or any relevant hedge positions relating to an Index (in the case of Index Certificates);

Failure to Deliver due to Illiquidity means, following the exercise of Physical Delivery Certificates, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

Hedging Disruption means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing

its obligations with respect to the Certificates, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s);

Hedging Shares means the number of Shares (in the case of Share Certificates) or components comprised in an Index (in the case of Index Certificates) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates;

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

Increased Cost of Stock Borrow means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate;

Initial Stock Loan Rate means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms;

Insolvency Filing means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

Loss of Stock Borrow means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

Maximum Stock Loan Rate means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the Maximum Stock Loan Rate specified in the applicable Final Terms.

(B) Additional Definitions

The following additional General Certificates Condition 15(B) shall apply only if so specified in the Final Terms.

Analogous Event means any analogous event to any of the Additional Disruption Event as determined by the Calculation Agent;

Cancellation Event means, that in the determination of the Calculation Agent, all or some of the Debt Securities are terminated or cancelled for any reason, and as a result thereof in the sole discretion of the Calculation Agent, such termination or cancellation either affects the aggregate hedge positions in respect of the Certificates or otherwise makes it impossible, impracticable or unduly onerous for the Issuer or the hedge provider to hedge the Issuer's obligations in respect of the Certificates;

Currency Event means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its affiliates or any Qualified Investor (a) to convert the relevant currency (**Local Currency**) in which the Shares or any options or futures contracts or other hedging arrangement in relation to the Shares (for the purposes of hedging the Issuer's obligations under the Certificates) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Shares or any options or futures contracts in relation to the Shares are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Certificates;

Force Majeure Event means that, on or after the Trade Date, the performance of the Issuer's obligations under the Certificates is prevented or materially hindered or delayed due to (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer's control, or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer and/or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction;

Jurisdiction Event means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Shares or any options or futures contracts in relation to the Shares in order for the Issuer to perform its obligations under the Certificates or in respect of any relevant hedging arrangements in connection with the Certificates (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Certificates) or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise; and

Government Authority means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

(C) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or, if applicable, (iii) below:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these General Certificates

Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;

- (B) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified in the applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Certificates Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10; or
- (C) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable following the occurrence of the Additional Disruption Event (the **Calculated Additional Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

If a Failure to Deliver due to Illiquidity occurs:

- (D) subject as provided elsewhere in the General Certificates Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with General Certificates Condition 7(B)(5); and
- (E) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with General Certificates Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10.

For the purposes hereof:

Failure to Deliver Settlement Price in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

- (D) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

ANNEX 1: TERMS AND CONDITIONS OF SHARE CERTIFICATES

*The terms and conditions applicable to Share Certificates shall comprise the General Certificates Conditions set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Share Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Certificate Conditions, the Share Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Share Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Additional Defined Terms

Basket Company means a company whose shares are included in the basket of Shares and "**Basket Companies**" means all such companies;

Clearance System means the principal domestic clearance system customarily used for settling trades in the relevant Share;

Clearance System Days means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

Disrupted Day means, in respect of a Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

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

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

Exchange Business Day means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a basket of Shares, Exchange Business Day (All Shares Basis) or Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

Exchange Business Day (All Shares Basis) means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

Exchange Business Day (Per Share Basis) means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

Exchange Business Day (Single Share Basis) means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

Exchange Disruption means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (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 on or relating to the Share on any relevant Related Exchange;

Related Exchange means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

Scheduled Trading Day means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a basket of Shares, Scheduled Trading Day (All Shares Basis) or Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

Scheduled Trading Day (All Shares Basis) means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

Scheduled Trading Day (Per Share Basis) means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

Scheduled Trading Day (Single Share Basis) means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in 'Valuation Date' or 'Averaging Date' in General Certificates Condition 3, as the case may be:

- (A) in the case of Share Certificates relating to a basket of Shares and in respect of each Share comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or
 - (b) if

Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and

- (B) in the case of Share Certificates relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

Shares and **Share** mean, subject to adjustment in accordance with this Annex 1, in the case of an issue of Certificates relating to a basket of Shares, each share and, in the case of an issue of Certificates relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

Share Company means, in the case of an issue of Certificates relating to a single Share, the company that has issued such share;

Share Correction Period means (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle;

Settlement Cycle means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange; and

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the Share on the Exchange; or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;

2. Market Disruption

Market Disruption Event means, in relation to Certificates relating to a single Share or a basket of Shares, in respect of a Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date or a Valuation Date.

3. Potential Adjustment Events

Potential Adjustment Event means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend as determined by the Calculation Agent;
- (D) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (E) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred

stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- (G) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

4. Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency

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

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) Holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

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

Merger Event means, in respect of any relevant Shares, any (i) reclassification or change of such 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 a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, 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 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, 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 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption Date.

Nationalisation means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

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

Tender Offer means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c), (d) (if applicable), (e) or, in the case of Certificates relating to a basket of Shares only (f) below (except as may be limited in the case of U.S. Certificates):

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange. In addition such adjustment may be made in accordance with the provisions of sub-paragraph (f) below;
- (B) in the case of Share Certificates relating to a basket of Shares redeem the Certificates in part by giving notice to Holders in accordance with General Certificates Condition 10. If the Certificates are so redeemed in part the portion (the **Redeemed Amount**) of each Certificate representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Holder

in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Certificate, after such redemption and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10;

- (C) unless Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Certificates Condition 10 redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10;
- (D) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable following the occurrence of the relevant event (the **Calculated Additional Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.;
- (E) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (F) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include a share selected by it in accordance with the criteria for share selection set out below (each, a **Substitute Share**) for each Share (each, an **Affected Share**) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Share will be deemed to be a Share and the Issuer of such shares the '**Basket Company**' for the purposes of the Certificates and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Share Certificates Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the basket will be deemed to be effective as of the date selected by the Calculation Agent (the **Substitution Date**) in its absolute discretion and specified in the notice referred to below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or De-Listing (as the case may be).

The Weighting of each Substitute Share in the basket will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

1. is not already included in the basket;
2. the Issuer of such share belongs to a similar economic sector as the Basket Company in respect of the Affected Share; and
3. the Issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Knock-in Event and Knock-out Event

- (A) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins and/or ends at the Valuation Time the price of the Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

Knock-in Event means:

- (A) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (B) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of the Shares of each Company as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Price as specified in the applicable Final Terms;

Knock-in Price means, (i) in case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 2 (Market Disruption) and as set forth in Share Certificate Condition 3 (Potential Adjustment Events) and Share Certificate Condition 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*);

Knock-in Determination Day means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

Knock-in Determination Period means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

Knock-in Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Valuation Time means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

Knock-out Determination Day means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

Knock-out Determination Period means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

Knock-out Event means:

- (A) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (B) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of each Share as the product of (x) the price of such Share as

determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Price as specified in the applicable Final Terms;

Knock-out Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-out Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-out Price means, (i) in the case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 2 (Market Disruption) and set forth in Share Certificate Condition 3 (Potential Adjustment Events) and Share Certificate Condition 4 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency); and

Knock-out Valuation Time means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

7. Automatic Early Redemption

(A) If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

Automatic Early Redemption Amount means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

Automatic Early Redemption Event means that (i) in the case of a single Share, the Share Price or (ii) in the case of a basket of Shares, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

Automatic Early Redemption Price means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 3 (Potential Adjustment Events) and Share Certificate Condition 4 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency) above;

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of 'Valuation Date' shall apply *mutatis mutandis* as if references in such provisions to 'Valuation Date' were to 'Automatic Early Redemption Valuation Date';

Basket Price means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Share as the product of (i) the Share Price of such Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

Share Price means, in respect of any Automatic Early Redemption Valuation Date, the price per Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

8. Dividend Payment

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Certificates:

- (A) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Share Certificates Conditions to the contrary, the Calculation Agent shall calculate (A) the relevant Distributed Amount and (B) the relevant Dividend Date.
- (B) As soon as practicable following the Dividend Date, the Issuer shall give notice (a **Cash Dividend Notice**) to the Holders in accordance with General Certificates Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Certificate held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Redemption Date of a Certificate, the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer shall have no further obligation in respect thereof.
- (C) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Certificate Condition 8 the following definitions shall apply:

Cash Dividend means any cash dividend paid by the Share Company or Basket Company in respect of a Share.

Cash Dividend Amount means, in respect of a Certificate, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date.

Cash Dividend Payment Date means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice.

Distributed Amount means, in respect of a Cash Dividend, the amount of such dividend payable by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion.

Dividend Date means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion.

Dividend Expenses means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Certificates.

ANNEX 2: TERMS AND CONDITIONS OF FUND CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Fund Certificates shall comprise the General Certificates Conditions set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Fund Certificate Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Certificates Conditions and the Fund Certificate Conditions, the Fund Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Fund Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Additional Defined Terms

Additional Extraordinary Fund Event has the meaning given to it in the applicable Final Terms.

Calculation Date means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day.

Cash Facility means:

- (A) if Overnight USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the over-night USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for over-night deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.125 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (B) if Overnight EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the European over-night index average rate for deposits in EUR appearing on Reuters page EONIA = (or such other source as the Calculation Agent deems appropriate for displaying EURIBOR over-night deposit in EUR) as of 7:00 p.m., Central European time, on that day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.125 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (C) if 3 month USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for 3 Months deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.100 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (D) if 3 month EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months EUR deposit rate appearing on Reuters page EURIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying the EURIBOR for 3 Months deposits in

EUR) as of 11:00 a.m., Central European time, on the day that is two TARGET Settlement Days prior to such day (i) minus 0.125 per cent. (if the Cash Facility is positive) or (ii) plus 0.100 per cent. (if the Cash Facility is negative) accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

(E) such other notional account as may be specified in the applicable Final Terms.

ETF means any Fund specified as to be an Exchange Traded Fund in the applicable Final Terms, or if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

Exchange means, in relation to an ETF, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

Final Calculation Date means the date specified as such in the applicable Final Terms.

Fund means the Fund(s) or sub-Funds specified in the applicable Final Terms.

Fund Business Day has the meaning specified in the applicable Final Terms or, if not so specified, in respect of a Fund, a day which is (or but for the imposition of any suspension period or similar limitation, would have been) a day on which subscription and redemption orders in respect of the relevant Fund Shares may be executed.

Fund Documents means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares specified in the applicable Final Terms as amended from time to time.

Fund Reporting Date means, in respect of the Fund Shares and a Calculation Date, the date on which the NAV per Fund Share is reported or published in respect of such Calculation Date.

Fund Service Provider means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the applicable Final Terms

Fund Share(s) means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the applicable Final Terms.

Hedge Provider means the party (being, *inter alia*, the Issuer, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Certificates or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Certificates.

Implied Embedded Option Value means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Certificates (excluding the Principal Protected Amount, where applicable) determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such

factors as interest rates, the net proceeds achievable from the sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and transaction costs.

Implied Embedded Option Value Determination Date means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary Fund Event.

Initial Calculation Date means the date specified as such in the applicable Final Terms.

NAV Barrier has the meaning given to it in the applicable Final Terms.

NAV Trigger Event means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

NAV Trigger Percentage means the percentage specified in the applicable Final Terms.

NAV Trigger Period means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

NAV per Fund Share means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share of such Fund Shares as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service or, (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares.

Non-Principal Protected Termination Amount means an amount per Certificate determined by the sum of:

- (A) the Implied Embedded Option Value; and
- (B) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

Number of NAV Publication Days means the number of calendar days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

Portfolio means the notional portfolio specified in the applicable Final Terms.

Potential Replacement Index means any of the HFRX Equal Weighted Tracker Fund, FTSE Hedge Index and the Dow Jones Hedge Fund Balanced Portfolio Index, or any successor indices thereto, and/or any other indices specified in the applicable Final Terms.

Principal Protected Termination Amount means an amount per Certificate determined as the sum of:

- (A) the Protected Amount;
- (B) the Implied Embedded Option Value; and
- (C) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

Protected Amount means the amount specified as such in the applicable Final Terms.

Simple Interest means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from and including, the Implied Embedded Option Value Determination Date to and including, the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the ISDA Definitions under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the first day of the relevant Compounding Period;
- (I) "Compounding" is "Applicable";
- (J) the "Compounding Dates" are the day falling three months after the Effective Date and each date falling three months after the previous Compounding Date,

provided that if the final Compounding Period is less than 3 months "Linear Interpolation" applies.

Termination Amount means an amount in the Settlement Currency calculated as specified in the applicable Final Terms or if not so specified (i) the Principal Protected Termination Amount or (ii) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms.

Termination Date means (i) the date specified in the applicable Final Terms, or (ii) if Delayed Redemption on the Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Redemption Date.

Zero Coupon Bond or ZC means a notional zero coupon bond with the following characteristics: (i) an issuer of similar creditworthiness and funding costs to the Issuer (ii) an issue date scheduled to fall on the Initial Calculation Date; (iii) a maturity date scheduled to fall on the Final Calculation Date;

- (iv) a nominal amount of either USD 1.00 or EUR 1.00 as determined by the Calculation Agent; and
- (v) a final redemption amount of either USD 1.00 or EUR 1.00 as determined by the Calculation Agent.

Zero Coupon Curve means either (a) where the Settlement Currency is EUR, a notional EUR reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in EUR as it may determine to be appropriate at 11:00 a.m., Central European Time; or (b) where the Settlement Currency is USD, a notional reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in USD as it may determine to be appropriate at 11:00 a.m., London Time, in each case adjusted by the Calculation Agent, if applicable to take into account the rates then available for financial institutions with a credit rating for long term debt equal to that of the Issuer.

2. **Extraordinary Fund Events**

Extraordinary Fund Event means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (A) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;
- (B) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Certificates;

- (C) the Fund Service Provider or other agents or entity fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (D) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (E) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Share, or any change in the periodicity of the calculation or the publication of the NAV per Fund Share, or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund, (including, without limitation, the suspension of the NAV per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relates (either alone or in common with other Fund Shares issued by the Fund);
- (F) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (G) (i) the occurrence of any event affecting a Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Share, and such event continues for at least 14 calendar days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Share;
- (H) any of the Fund, the administrator of the Fund or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (I) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of

the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Certificates;

- (J) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason or (vii) the Issuer, the Hedge Provider, or any affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;
- (K) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (L) a NAV Trigger Event occurs;
- (M) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (N) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (O) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the investment advisor or the management company or sub-manager, as the case may be, fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (P) one or more changes occurs in respect of the exposure of the Hedge Provider, including but not limited to the creation of a leveraged class of fund shares, which have or may have a material adverse effect on the Hedge Provider's hedging activities in respect of the Certificates;
- (Q) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Certificates (a

Tax Event) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;

- (R) in connection with any hedging activities in relation to the Certificates, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a **Relevant Event**) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event; or
- (S) in connection with the hedging activities in relation to the Certificates, if the cost to the Issuer or the Hedge Provider in relation to the Certificates would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Certificates.

3. **Consequences of an Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event including any Additional Extraordinary Fund Event specified in the applicable Final Terms, the Calculation Agent shall, unless otherwise specified in the applicable Final Terms, either (i) effect a Substitution (as defined below) if a Substitution Event has occurred or (ii) if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, redeem the Certificates by payment of the Termination Amount on the Termination Date.

(A) Substitution

A **Substitution Event** shall be deemed to have occurred if any of the Extraordinary Fund Events set out in sub-paragraphs (a) to (p) of Fund Certificate Condition 2 or any Additional Extraordinary Fund Event specified in the applicable Final Terms as being a Substitution

Event occurs. Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the relevant Fund with an index (the **Replacement Index**) (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion which reflects or tracks the performance of one or more hedge funds and may be (but is not obliged to be) a Potential Replacement Index; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a **Substitution**), in its sole and absolute discretion amend such of the terms of the Fund Certificates Conditions and/or the applicable Final Terms as it determines to be appropriate to take account of such Substitution.

(B) Termination

A **Termination Event** shall be deemed to have occurred in respect to any Fund or Fund Share if any of the Extraordinary Fund Events set out in sub-paragraphs (q) to (s) of Fund Certificate Condition 27 or any Additional Extraordinary Fund Event specified in the applicable Final Terms as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall redeem the Certificates on the Termination Date by payment to each Holder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

4. Exchange Traded Funds

If a Fund is specified in the applicable Final Terms to be an ETF, Annex 2 (Additional Terms and Conditions of Share Certificates) shall be deemed to apply to the Certificates, subject as provided in the applicable Final Terms.

References to "Share" and "Share Company" or "Basket Company" in the Share Certificate Conditions shall be deemed to be references to the "Fund Share", the "Fund" and the "Fund" respectively.

In the event of inconsistency between the Share Certificate Conditions and the Fund Certificate Conditions, the Calculation Agent shall determine which of such terms shall prevail acting in good faith and in a commercially reasonable manner.

ANNEX 3 TERMS AND CONDITIONS OF INDEX CERTIFICATES

*If specified in the applicable Final Terms the terms and conditions applicable to Index Certificates shall comprise the General Certificates Conditions set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Index Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Certificate Conditions, the Index Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

Clearance System means the principal domestic clearance system customarily used for settling trades in the relevant securities;

Clearance Systems Days means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

Composite Index means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

Component means each and any component security of any Index;

Disrupted Day means:

- (A) in respect of any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of such Index, (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred; and
- (B) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which a relevant Exchange or a Related Exchange (if any) fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

Early Closure means:

- (A) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (B) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the

Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange means:

- (A) in the case of a Composite Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the securities/commodities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares on such temporary substitute exchange or quotation system as on the original Exchange); and
- (B) in the case of any Index which is not a Composite Index, and in respect of such Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the component comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the component comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

Exchange Business Day means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a basket of Indices, Exchange Business Day (All Indices Basis) or Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

Exchange Business Day (All Indices Basis) means any Scheduled Trading Day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time and (ii) in respect of any Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

Exchange Business Day (Per Index Basis) means, in respect of an Index, any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during its regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

Exchange Business Day (Single Index Basis) means any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during its regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

Exchange Disruption means:

- (A) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (a) any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (B) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

Index and **Indices** mean, subject to adjustment in accordance with this Annex 3, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly;

Index Correction Period means (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle;

Index Sponsor means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Certificates is the index sponsor specified for such Index in the applicable Final Terms;

Related Exchange means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

Scheduled Trading Day means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a basket of Indices, Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

Scheduled Trading Day (All Indices Basis) means any day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (ii) in respect of any Composite Indices, (a) the Index Sponsor is scheduled to publish the level of such Composite Indices and (b) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

Scheduled Trading Day (Per Index Basis) means in respect of an Index, any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective

regular trading session(s) and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

Scheduled Trading Day (Single Index Basis) means any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Composite Index (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

Settlement Cycle means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or if such Index is a Composite Index, the longest such period in respect of a relevant Exchange).

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in "Valuation Date" or 'Averaging Date' in General Certificates Condition 4, as the case may be:

- (A) in the case of Index Certificates relating to a basket of Indices and in respect of each Index comprising the basket, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (B) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

Trading Disruption means:

- (A) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (B) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;

2. Market Disruption

Market Disruption Event means, in relation to Certificates relating to a single Index or basket of Indices:

(A) in respect of a Composite Index:

- (i) (a) the occurrence or existence, in respect of any Component, of:
 - (1) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (2) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
 - (3) an Early Closure in respect of such Component; and
- (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (B) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (a) the portion of the level of such Index attributable to that security and (b) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Certificate Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, an Observation Date or a Valuation Date.

3. Adjustments to an Index

(A) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

(B) *Modification and Cessation of Calculation of an Index*

If (i) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Calculation, each an **Index Adjustment Event**), then:

- (A) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (B) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Certificates Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each redeemed Certificate being redeemed at an amount equal to the fair market value of a Certificate, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10; or
- (C) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable following the occurrence of the Index Adjustment Event (the **Calculated Additional Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

(C) *Notice*

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

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the Index published on a given day and used or to be used by the Calculation Agent make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Knock-in Event and Knock-out Event

(A) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

(B) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

(C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins and/or ends at the Valuation Time the level of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in

Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

Knock-in Determination Day means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

Knock-in Determination Period means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

Knock-in Event means:

(A) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(Bi) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

Knock-in Level means (i) in the case of a single Index, the level of the Index or (ii) in case of a basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 2 (Market Disruption) and Index Certificate Condition 3 (Adjustments to an Index);

Knock-in Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Valuation Time means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

Knock-out Determination Day means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

Knock-out Determination Period means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

Knock-out Event means:

- (A) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
 - (B) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,
- (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

Knock-out Level means, in the case of a single Index, (i) the level of the Index or (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 2 (Market Disruption) and Index Certificate Condition 3 (Adjustments to an Index);

Knock-out Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-out Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

Knock-out Valuation Time means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

6. Automatic Early Redemption

- (A) If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.
- (B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

Automatic Early Redemption Amount means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

Automatic Early Redemption Event means that (i) in the case of a single Index, the Index Level or (ii) in the case of a basket of Indices, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

Automatic Early Redemption Level means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 3 (Adjustments to an Index) above;

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date";

Basket Price means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Index as the product of (i) the Index Level of such Index on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

Index Level means, in respect of any Automatic Early Redemption Valuation Date, the level of the Index as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

ANNEX 4: TERMS AND CONDITIONS OF COMMODITY CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Commodity Certificates shall comprise the General Certificates Conditions on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Commodity Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Certificate Conditions, the Commodity Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Commodity Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

Commodity means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

Commodity Business Day means:

- (A) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (B) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

Commodity Fallback Value means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

Commodity Index means each index specified as such in the applicable Final Terms or an index comprising one or more Commodities or Commodity Futures contracts (each a "**Component**");

Commodity Reference Price means, in respect of any Commodity or the Commodity Index, the price specified in the applicable Final Terms;

Component Futures means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a **Component Future**);

Disappearance of Commodity Reference Price means (i) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component;

Exchange means, in relation to a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Relevant Price;

Index Component Disruption Event means:

- (A) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (B) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

Material Change in Content means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or, in the case of a Commodity Index, Component;

Material Change in Formula means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

Price Source means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price;

Price Source Disruption means (i) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

Pricing Date means each date specified in the Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

Reference Dealers means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

Relevant Price means, in respect of any Commodity or Commodity Index and a day, the Commodity Reference Price in respect of such Commodity or such Commodity Index, as the case may be, on such day;

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as provided in this Annex and as referred to in "Valuation Date" or "Averaging Date", as the case may be:

- (A) in the case of Commodity Certificates relating to a basket of Commodities or Commodity Indices and in respect of a Commodity or Commodity Index comprising the basket, the Relevant Price for such Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (B) in the case of Commodity Certificates relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

Specified Maximum Days of Disruption means two (2) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

Tax Disruption means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

Trading Disruption means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (A) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

2. Market Disruption

Market Disruption Event means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (A) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (B) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (C) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Certificates Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Disruption Fallbacks**

Disruption Fallback means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

- (A) Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then:

- (i) the Calculation Agent shall determine if such event has a material effect on the Certificates and, if so, shall calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Certificates Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of such Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Certificates Condition 10; or
- (iii) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Market Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Market Disruption Amount**) as soon as practicable following the occurrence of the Market Disruption Event (the **Calculated Market Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

(B) Tax Disruption

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Certificates and if so (i) shall effect any adjustments that it deems in good faith necessary to the General Certificate Conditions or, (ii) if it determines that such adjustments cannot be made on giving notice to Holders in accordance with General Certificate Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Certificate Condition 10.

(C) Price Source Disruption and Trading Disruption

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

(D) Index Component Disruption

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The relevant Final Terms may specify any Additional Disruption Fallback(s) that will apply.

4. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Certificates, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

5. Knock-in-Event and Knock-out Event

(A) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

(B) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable

Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

Knock-in Determination Day means the date(s) specified as such in the applicable Final Terms;

Knock-in Determination Period means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

Knock-in Event means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

Knock-in Level means (i) in the case of a single Commodity, the Relevant Price or (ii) in case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (Market Disruption) and Commodity Certificate Condition 3 (Disruption Fallbacks);

Knock-in Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

Knock-in Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

Knock-in Valuation Time means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

Knock-out Determination Day means the date(s) specified as such in the applicable Final Terms;

Knock-out Determination Period means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

Knock-out Event means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

Knock-out Level means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (Market Disruption), Commodity Certificate Condition 3 (Disruption Fallbacks) and Commodity Certificate Condition 4 (Correction of a Commodity Reference Price);

Knock-out Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

Knock-out Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

Knock-out Valuation Time means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

6. Automatic Early Redemption

- (A) If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

Automatic Early Redemption Amount means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

Automatic Early Redemption Event means that (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a basket of Commodities, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

Automatic Early Redemption Price means the price per Commodity specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 3 above;

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms; and

Basket Price means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (i) the Relevant Price of such Commodity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 5: TERMS AND CONDITIONS OF CURRENCY CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Currency Certificates shall comprise the General Certificates Conditions set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Currency Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Currency Certificate Conditions, the Currency Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Currency Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Settlement Price

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate:

- (A) in the case of Currency Certificates relating to a basket of Subject Currencies and in respect of a Subject Currency, the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
- (B) in the case of Currency Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

2. Knock-in Event and Knock-out Event

- (A) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- (B) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

(C) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

Knock-in Determination Day means the date(s) specified as such in the applicable Final Terms;

Knock-in Determination Period means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

Knock-in Event means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

Knock-in Level means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

Knock-in Period Beginning Date means the date specified as such in the applicable Final Terms;

Knock-in Period Ending Date means the date specified as such in the applicable Final Terms;

Knock-in Valuation Time means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

Knock-out Determination Day means the date(s) as specified as such in the applicable Final Terms;

Knock-out Determination Period means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

Knock-out Event means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

Knock-out Level means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

Knock-out Period Beginning Date means the date specified as such in the applicable Final Terms;

Knock-out Period Ending Date means the date specified as such in the applicable Final Terms; and

Knock-out Valuation Time means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

ANNEX 6: TERMS AND CONDITIONS OF DEBT CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Debt Certificates shall comprise the General Certificates Conditions set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Debt Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Debt Certificate Conditions, the Debt Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Debt Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Settlement Price

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (A) in the case of Debt Certificates relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting; and
- (B) in the case of Debt Certificates relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security

2. Market Disruption

Market Disruption Event shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Security Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Debt

Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

ANNEX 7: TERMS AND CONDITIONS OF FUTURES CERTIFICATES

*If specified as applicable in the applicable Final Terms the terms and conditions applicable to Futures Certificates shall comprise the General Certificates Conditions as set out on page 205-236 (the **General Certificates Conditions**) and the additional terms and conditions set out below (the **Futures Certificates Conditions**), which will be subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Certificates Conditions and the Futures Certificates Conditions, the Futures Certificates Conditions shall prevail. In the event of any inconsistency between (i) the General Certificates Conditions and/or the Futures Certificates Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

1. Definitions

Basket of Futures means a basket composed of each Future specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

Clearance System means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

Clearance System Days means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

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

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

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

Exchange Business Day means either (i) in the case of a single Future, Exchange Business Day (Single Future Basis) or (ii) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

Exchange Business Day (All Futures Basis) means, in respect of all Futures comprised in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s) notwithstanding such Exchange closing prior to its Scheduled Closing Time;

Exchange Business Day (Per Future Basis) means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular

trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

Exchange Business Day (Single Future Basis) means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

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

Futures means, subject to adjustments in accordance with this Annex, in the case of an issue of Certificates relating to a single Future, the futures contract and, in the case of an issue of Certificates relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

Futures Correction Period means (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle;

Scheduled Trading Day means either (i) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (ii) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

Scheduled Trading Day (All Futures Basis) means, in respect of all Futures comprising the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

Scheduled Trading Day (Per Future Basis) means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

Scheduled Trading Day (Single Future Basis) means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

Settlement Cycle means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

Settlement Price means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in "Averaging Date", "Observation Date", "Strike Date" or "Valuation Date" in General Certificates Condition 3, as the case may be:

- (A) in the case of Futures Certificates relating to a Basket of Futures and in respect of each Futures comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (B) in the case of Futures Certificates relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so

specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

2. Market Disruption

Market Disruption Event means, in relation to Certificates relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Certificates Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, or an Averaging Date, or an Observation Date or a Valuation Date.

3. Adjustments to a Future

(A) Futures Modification, Futures Replacement or Futures De-Listing

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

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine if such Futures Modification or Futures Replacement has a material effect on the Certificates and, if so, shall use the Future so modified or replaced in lieu of the initial Future with respect to the relevant Certificates; or
- (ii) unless Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Certificates Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each redeemed Certificate being redeemed at an amount equal to the fair market value of a Certificate, taking into account the Futures Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; or
- (iii) if Delayed Redemption on Occurrence of Futures Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Futures Adjustment

Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Futures Adjustment Amount**) as soon as practicable following the occurrence of the Futures Adjustment Event (the **Calculated Futures Adjustment Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Futures Adjustment Amount plus interest accrued from and including the Calculated Futures Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

(B) Notice

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

4. Correction of Futures Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Future published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

5. Knock-in-Event and Knock-out Event

- (A) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins and/or ends at the Valuation Time the price of the Future triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Future triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

(E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

Knock-in Determination Day means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

Knock-in Determination Period means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

Knock-in Event means:

(A) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(B) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent equal to the sum of the values of each Future as the product of (x) the price of such Future as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Price or (B) "within" the Knock-in Range Price in each case, as specified in the applicable Final Terms;

Knock-in Price means (i) in the case of a single Index, the price of the Future or (ii) in case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

Knock-in Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-in Range Price means the range of prices specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

Knock-in Valuation Time means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

Knock-out Determination Day means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

Knock-out Determination Period means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

Knock-out Event means:

- (A) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (B) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent equal to the sum of the values of each Future as the product of (x) the price of such Future as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Price as specified in the applicable Final Terms;

Knock-out Price means, in the case of a single Future, (i) the price of the Future or (ii) in the case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3 (*Adjustments*);

Knock-out Period Beginning Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

Knock-out Period Ending Date means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

Knock-out Valuation Time means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

6. Automatic Early Redemption

- (A) If "Automatic Early Redemption Event" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption

Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

Automatic Early Redemption Amount means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day. Holders shall not be entitled to any further payment in respect of any such delay;

Automatic Early Redemption Event means that (i) in the case of a single Future, the Future Price or (ii) in the case of a Basket of Futures, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

Automatic Early Redemption Price means the price per Future specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Certificate Condition 3(*Adjustments*) above;

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

Automatic Early Redemption Valuation Date means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date";

Basket Price means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Future comprising the basket as the product of (i) the Future Price of such Future on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

Future Price means, in respect of any Automatic Early Redemption Valuation Date and a Future, the price per Future as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

FORM OF FINAL TERMS FOR CERTIFICATES

FINAL TERMS

DATED [●]

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Issue of [Aggregate Amount of Tranche]
[Title of Certificates]
issued pursuant to the
Leveraged Certificates, Warrants and Certificates Programme

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 56 of Part A below, provided such person is one of the persons mentioned in Paragraph 56 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances]¹.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly any person making or intending to make an offer in that Relevant Member State of the Certificates may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances]²

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Certificates Conditions (the **Conditions**) set forth in the Base Prospectus dated 24 September 2009 [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the **Prospectus Directive**). This document constitutes the Final Terms of the Certificates

¹ Only include if a non-exempt offer of Warrants is anticipated

² Only include if an exempt offer of Warrants is anticipated.

described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the **Issuer**) and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Paying Agents.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the General Certificates Conditions (the **Conditions**) set forth in the Base Prospectus dated 24 September 2009 [and the Supplement to the Base Prospectus dated] [●]. This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 21 2009 [and the Supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated 24 September 2009 [and the Supplement to the Base Prospectus dated] [●] and are attached hereto. Full information on Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the **Issuer**) and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 24 September 2009 [and the Supplement to the Base Prospectus dated [●]]. [The Base Prospectuses are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub paragraphs. Italics denote directions for completing the Final Terms.]

References herein to numbered Conditions are to the terms and conditions of the relevant series of Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Certificates, save as where otherwise expressly provided.

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive]

This Final Terms relates to the series of Certificates as set out in "Specific Provisions for each Series" below. References herein to 'Certificates' shall be deemed to be references to the relevant Certificates that are the subject of this Final Terms and references to **Certificate** shall be construed accordingly.

GENERAL PROVISIONS

The following terms apply to each series of Certificates:

- | | | |
|----|---|--|
| 1. | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank Structured Products) |
| 2. | Series Number: | [●] |
| 3. | Number of Certificates issued: | [●] |
| 4. | Trade Date: | [specify] |
| 5. | Issue Date [and Interest
Commencement Date]: | [specify] |

6. Consolidation: The Certificates are to be consolidated and form a single series with the [*insert title of relevant series of Certificates*] issued on [*insert issue date*].
7. Type of Certificates:
- (i) The Certificates are [Index Certificates/Share Certificates/Fund Certificates/Debt Certificates/Currency Certificates/Commodity Certificates/Fund Certificates/Futures Certificates/(specify other type of Certificates)].
 - (ii) [The Certificates are [Reverse Convertible Certificates/Call Certificates/other].]
- [Exercise of Certificates applies to the Certificates. The Exercise Date is [*specify*] or, if such day is not a Business Day, the immediately [preceding/succeeding] Business Day].]
8. Form of Certificates: [Registered Certificate.] [other]
9. Issue Price per Certificate [●] [Specify currency]
10. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of 'Business Day' in Condition ● [is/are] [●].
11. Settlement: Settlement will be by way of [cash payment (Cash Settled Certificates)] [and/or] [physical delivery (Physical Delivery Certificates)].
12. [Scheduled] Redemption Date: [●]
13. Variation of Settlement:
- (a) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Certificates.
 - (b) Variation of Settlement of Physical Delivery Certificates: [Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer may make payment of the Cash Settlement Amount on the Redemption Date and the provisions of General Certificates Condition 6(C) will apply to the Certificates./The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of General Certificates Condition 6(C) will not apply to the Certificates.]
14. Relevant Asset(s): The relevant asset to which the Certificates relate [is/are] [●].
15. Entitlement:
- (a) [The Entitlement (as defined in Condition 3) in relation to each Certificate is [●].]
 - (b) [The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*]].]
 - (c) [The Entitlement will be [delivered] [Delivered]]

[insert details of the method of delivery of the Entitlement].]

(N.B. Only applicable in relation to Physical Delivery Certificates)

16. Instalment Certificates: The Certificates [are/are not] Instalment Certificates.
- (a) Instalment Amount(s): *[specify]*
- (b) Instalment Date(s): *[specify]*
17. Partly Paid Certificates: The Certificates [are/are not] Partly Paid Certificates.
- [specify details of the amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Certificates and interest due on late payment]*
18. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in the relevant Annex to the Conditions) or the Cash Settlement Amount (as defined in General Certificates Condition 4') is *[insert rate of exchange and details of how and when such rate is to be ascertained]*
19. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount/Redemption Amount] *(in the case of Cash Settled Certificates)*/[the Disruption Cash Settlement Price] *(in the case of Physical Delivery Certificates)* is [●].
20. Notional Amount of each Certificate: *[currency][amount]*
21. Minimum Trading Size: *[specify]*
22. Issuing and Paying Agent: [Deutsche Bank AG, London Branch] [other]
23. Calculation Agent: [Rabobank Structured Products]/*[specify other]*[ADDRESS].
24. Special conditions or other modifications to the Conditions: *[specify]*

ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS

25. Index Certificate Provisions: [The provisions of Annex 3 terms and conditions for Index Certificates) shall apply.]
- (a) Index/Index Sponsor: *[specify name of index/indices]*
- [specify name of index sponsor(s)]*

- [The [] Index is a Composite Index.]¹
- (b) Index Currency: [specify]
- (c) Exchange(s): [specify]
- (d) Related Exchange(s): [specify]/[All Exchanges]
- (e) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (f) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (must match election made for Exchange Business Day)*
- (g) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 3/[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (h) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Annex 3*]
- (i) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*]
- (j) Specified Maximum Days of Disruption: [[specify] [Scheduled Trading Days]
- (k) Valuation Date: [specify]
- (l) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Valuation Time as defined in Condition 4.] [specify].] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 3).
- (m) Index Correction Period [As per the Conditions/specify]
- (n) Knock-in Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Level: [specify]
- (ii) Knock-in Period Beginning Date: [specify]

¹ Specify each Composite Index (if any).

- | | | |
|--------|---|---|
| (iii) | Knock-in Determination Period: | [<i>specify</i>] |
| (iv) | Knock-in Determination Day(s): | [<i>specify</i> /Each Scheduled Trading Day in the Knock-in Determination Period] |
| (v) | Knock-in Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (vi) | Knock-in Period Ending Date: | [<i>specify</i>] |
| (vii) | Knock-in Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (viii) | Knock-in Valuation Time: | [<i>specify</i> /See definition in Annex 3] [Valuation Time] |
| (o) | Knock-out Event: | [Not Applicable/ <i>specify</i> /['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) | Knock-out Level: | [<i>specify</i>] |
| (ii) | Knock-out Period Beginning Date: | [<i>specify</i>] |
| (iii) | Knock-out Determination Period: | [<i>specify</i>] |
| (iv) | Knock-out Determination Day(s): | [<i>specify</i> /Each Scheduled Trading Day in the Knock-out Determination Period] |
| (v) | Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (vi) | Knock-out Period Ending Date: | [<i>specify</i>] |
| (vii) | Knock-out Period Ending Date Scheduled Trading | [Not Applicable/Applicable] |

Day Convention:

- (viii) Knock-out Valuation Time: [*specify*/See definition in Annex 3] [Valuation Time]
- (p) Automatic Early Redemption Event: [Not Applicable/*specify* /['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Automatic Early Redemption Amount: [*specify*/See definition in Annex 3.]
 - (ii) Automatic Early Redemption Date(s): [*specify*]
 - (iii) Business Day Convention: [*specify*]
 - (iv) Automatic Early Redemption Level: [*specify*]
 - (v) Automatic Early Redemption Rate: [*specify*]
 - (vi) Automatic Early Redemption Valuation Date(s): [*specify*]
- (q) Delayed Redemption on Occurrence of Adjustment Event: [Applicable/Not Applicable]
- 26. Share Certificate Provisions: [The provisions of (Annex 1: terms and conditions for Share Certificates) shall apply.]
 - (a) Share(s)/Share Company/Basket Company: [*insert type of Share(s) and Share Company/Basket Companies*]
 - (b) Exchange(s): [*specify*]
 - (c) Related Exchange(s): [*specify*]/[All Exchanges]
 - (d) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
 - (e) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]

(must match election made for Exchange Business Day)
 - (f) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such

Weighting shall be subject to adjustment [in accordance with Annex 1/[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]

- (g) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Annex 1*]. [N.B. If Settlement Price includes formula incorporating initial closing price, use term 'Initial Price' for relevant definition.]
- (h) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
- (i) Specified Maximum Days of Disruption: [[specify] [Scheduled Trading Days] [specify]]
- (j) Valuation Date: [specify]
- (k) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 4.] [specify] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4)]
- (l) Knock-in Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Knock-in Price: [specify]
 - (ii) Knock-in Period Beginning Date: [specify]
 - (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (iv) Knock-in Determination Period: [specify]
 - (v) Knock-in Determination Day(s): [specify/Each Scheduled Trading Day in the Knock-in Determination Period]
 - (vi) Knock-in Period Ending Date: [specify]

- (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (viii) Knock-in Valuation Time: [*specify*/See definition in Annex 1] [Valuation Time].
- (m) Knock-out Event: [Not Applicable/*specify*/'greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Knock-out Price: [*specify*]
 - (ii) Knock-out Determination Period: [*specify*]
 - (iii) Knock-out Determination Day(s): [*specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
 - (iv) Knock-out Period Beginning Date: [*specify*]
 - (v) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (vi) Knock-out Period Ending Date: [*specify*]
 - (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (viii) Knock-out Valuation Time: [*specify*/See definition in Annex 1] [Valuation Time]
- (n) Automatic Early Redemption Event: [Not Applicable/*specify*/'greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Automatic Early Redemption Amount: [*specify*/See definition in Annex 1.]
 - (ii) Automatic Early: [*specify*]

- Redemption Date(s):
- (iii) Business Day Convention: [specify]
 - (iv) Automatic Early Redemption Price: [specify]
 - (v) Automatic Early Redemption Rate: [specify]
 - (vi) Automatic Early Redemption Valuation Date(s): [specify]
 - (o) Redemption on Occurrence of Extraordinary Event: [As per the Conditions/Not Applicable]
 - (p) Delayed Redemption on Occurrence of Extraordinary Event: [Not Applicable/Applicable]
 - (q) Share Correction Period [As per the Conditions/specify]
 - (r) Dividend Payment: [Applicable/Not Applicable]
27. Debt Certificate Provisions: [The provisions of (Annex 6: terms and conditions for Debt Certificates) shall apply.]
- (a) Nominal Amount: The nominal amount which is to be used to determine the Cash Settlement Amount is [●] and the relevant screen page (**Relevant Screen Page**) is [●].
 - (b) Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Certificates, [insert appropriate fallback provisions].
 - (c) Exchange Business Day: Exchange Business Day means [●].
 - (d) Valuation Date: [specify]
 - (e) Valuation Time: [specify]
 - (f) Specified Maximum Days of Disruption: [specify]
28. Commodity Certificate Provisions: [The provisions of Annex 4: terms and conditions for Commodity Certificates shall apply.]
- (a) Commodity/ Commodities: [specify Commodity/Commodities]
 - (b) Pricing Date(s): [specify]

- (c) Commodity Reference Price: [specify]
- (d) Additional Disruption Fallback(s): [specify]/[Not Applicable]
- (e) Valuation Date: [specify]
- (f) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 3.] [[specify]]
- (g) Specified Maximum Days of Disruption: [specify] [Commodity Business Days]
- (h) Knock-in-Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Level: [specify]
- (ii) Knock-in Period Beginning Date: [specify]
- (iii) Knock-in Determination Period: [specify]
- (iv) Knock-in Determination Day(s): [specify]
- (v) Knock-in Period Beginning Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (vi) Knock-in Period Ending Date: [specify]
- (vii) Knock-in Period Ending Date Commodity Business Day Convention: [Not Applicable/Applicable]
- (viii) Knock-in Valuation Time: [specify/See definition in Annex 4] [Valuation Time.]

- (i) Knock-out Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-out Level: [specify]
- (ii) Knock-out Period Beginning Date: [specify]
- (iii) Knock-out Determination Period: [specify]
- (iv) Knock-out Determination Day(s): [specify]
- (v) Knock-out Period Beginning Date
Commodity
Business Day
Convention: [Not Applicable/Applicable]
- (vi) Knock-out Period Ending Date: [specify]
- (vii) Knock-out Period Ending Date
Commodity
Business Day
Convention: [Not Applicable/Applicable]
- (viii) Knock-out Valuation Time: [specify/See definition in Annex 4] [Valuation Time]
- (j) Automatic Early Redemption Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Automatic Early Redemption Amount: [specify/See definition in ●]
- (ii) Automatic Early Redemption Date(s): [specify]
- (iii) Business Day Convention: [specify]

- | | | | |
|--|------|--|-----------------------------|
| | (iv) | Automatic Early Redemption: | [specify] |
| | (v) | Automatic Early Redemption Rate: | [specify] |
| | (vi) | Automatic Early Redemption Valuation Date(s): | [specify] |
| | (k) | Delayed Redemption on occurrence of Market Disruption Event: | [Applicable/Not Applicable] |
29. Currency Certificate Provisions: [The provisions of Annex 1: terms and conditions for Share Certificates) shall apply.]
- | | | | |
|--|-----|--|--|
| | (a) | Relevant Screen Page: | [specify] |
| | (b) | The relevant base currency (the Base Currency) is: | [specify] |
| | (c) | The relevant subject [currency/currencies] (each a Subject Currency) [is/are]: | [specify] |
| | (d) | Valuation Date: | [specify] |
| | (e) | Valuation Time: | [specify] |
| | (f) | Knock-in-Event: | [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']] |
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- | | | | |
|--|-------|---------------------------------|-----------|
| | (i) | Knock-in Level: | [specify] |
| | (ii) | Knock-in Period Beginning Date: | [specify] |
| | (iii) | Knock-in Determination Period: | [specify] |
| | (iv) | Knock-in Determination Day(s): | [specify] |
| | (v) | Knock-in Period Ending Date: | [specify] |

- (vi) Knock-in Valuation Time: [specify/See definition in Annex 5] [Valuation Time]
- (g) Knock-out Event: [Not Applicable/specify/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Knock-out Level: [specify]
- (ii) Knock-out Period Beginning Date: [specify]
- (iii) Knock-out Determination Period: [specify]
- (iv) Knock-out Determination Day(s): [specify]
- (v) Knock-out Period Ending Date: [specify]
- (vi) Knock-out Valuation Time: [specify/See definition in Annex 5] [Valuation Time].
30. Fund Certificate Provisions: [The provisions of (Annex 2: terms and conditions for Fund Certificates) shall apply.]
- (a) Fund: [specify]
[The [] Fund is an ETF.]¹
- (b) Fund Share(s): [specify]
- (c) Exchange (for ETF): [specify]/[Not Applicable]
- (d) Fund Documents: [specify]
- (e) Fund Business Day: [As per the Conditions]/[specify]
- (f) Fund Service Provider: [As per the Conditions]/[specify]
- (g) Calculation Date: [As per the Conditions]/[specify]
- (h) Initial Calculation Date: [specify]/[Not Applicable]
- (i) Final Calculation Date: [specify]/[Not Applicable]
- (j) Portfolio: [specify]/[Not Applicable]
- (k) Cash Facility: [Overnight USD LIBOR Facility]/[Overnight EURIBOR

¹ Specify each ETF (if any).

Facility]/[3 month USD LIBOR Facility]/[3 month EURIBOR Facility]/[specify]

- (l) Protected Amount: [specify]
- (m) Zero Coupon Curve: [specify]
- (n) NAV Barrier [specify]
- (o) NAV Trigger Percentage: [specify]
- (p) NAV Trigger Period: [specify]
- (q) Number of NAV Publication Days: [specify]
- (r) Settlement Price: [specify]
- (s) Valuation Date: [specify]
- (t) Valuation Time: [specify]
- (u) Additional Extraordinary Fund Event(s): [specify]
(Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)
- (v) Consequences of Extraordinary Fund Event: [As per the Conditions]/[specify]
- (w) Potential Replacement Index [specify]
- (x) Termination Amount: [Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount] [specify]/[Not Applicable]
- (y) Spread: [specify]
- (z) Termination Date: [specify]
- (aa) Delayed Redemption on Occurrence of Extraordinary Fund Event: [Applicable]/[Not Applicable]
- (bb) Additional Provisions: [specify]
- (cc) The Coupon Payment Dates are: [specify]

31. Futures Certificate Provisions: [Applicable/Not applicable]

- (a) Future(s): [insert type of Future(s)]
- (b) Exchange(s): [specify]
- (c) Exchange Business Day: [Single Future Basis/All Futures Basis/Per Futures Basis]

- (d) Scheduled Trading Day: [Single Future Basis/All Futures Basis/Per Futures Basis]
(must match election made for Exchange Business Day)
- (e) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Futures Certificate Condition 3/[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (f) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Futures Certificate Condition 0*]. [N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.]
- (g) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 5), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
- (h) Specified Maximum Days of Disruption: [As defined in Condition 3]/[specify] Scheduled Trading Days].
- (i) Valuation Date: [specify]
- (j) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 3.] [specify] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 3)]
- (k) Knock-in Event: [Not applicable/specify/["greater than"/ "greater than or equal to"/ "less than"/ "less than or equal to"/"within"]]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) [Knock-in Price/Knock-in Range Price]: [specify]/[From and including/From and excluding][specify][to and including/to but excluding][specify]
- (ii) Knock-in Period Beginning Date: [specify]
- (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not applicable/Applicable]
- (iv) Knock-in Determination Period: [specify]

- (v) Knock-in Determination Day(s): [*specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (vi) Knock-in Period Ending Date: [*specify*]
- (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not applicable/Applicable]
- (viii) Knock-in Valuation Time: [*specify*/See definition in Futures Certificate Condition 51] [Valuation Time].
- (l) Knock-out Event: [Not applicable/*specify*/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Knock-out Price: [*specify*]
 - (ii) Knock-out Period Beginning Date: [*specify*]
 - (iii) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not applicable/Applicable]
 - (iv) Knock out Determination Period: [*specify*]
 - (v) Knock out Determination Day(s): [*specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
 - (vi) Knock-out Period Ending Date: [*specify*]
 - (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not applicable/Applicable]
 - (viii) Knock-out Valuation Time: [*specify*/See definition in Futures Certificate Condition 51] [Valuation Time]
- (m) Automatic Early Redemption Event: [Not applicable/*specify*/['greater than'/'greater than or equal to'/'less than'/'less than or equal to']]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- | | | |
|-------|---|---|
| (i) | Automatic Early Redemption Amount: | [specify/See definition in Futures Certificate Condition 52.] |
| (ii) | Automatic Early Redemption Date(s): | [specify] |
| (iii) | Automatic Early Redemption Price: | [specify] |
| (iv) | Automatic Early Redemption Rate: | [specify] |
| (v) | Automatic Early Redemption Valuation Date(s): | [specify] |
| (n) | Delayed Redemption on the Occurrence of a Futures Adjustment Event: | [Applicable/Not applicable] |
| (o) | Futures Correction Period: | [As per Conditions/specify] |
| (p) | Other terms or special conditions: | [Not applicable]/[specify] |
32. Additional Disruption Events:
- (i) The following Additional Disruption Events apply to the Certificates:
- (Specify each of the following which applies. N.B. Additional Disruption Events are applicable to certain Index Certificates or Share Certificates. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Certificates, Currency Certificates, Commodity Certificates, Index Certificates relating to Commodity Indices and Fund Certificates and, if so, the relevant definitions will require amendment.)*
- [Change in Law]
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- (N.B. Only applicable in the case of Share Certificates)*

[Loss of Stock Borrow]

[Analogous Event]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

(Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to Physical Delivery Certificates)

- (ii) [The Maximum Stock Loan Rate in respect of *[specify in relation to each relevant Share/Security]* is [●].

(N.B. Only applicable if Loss of Stock Borrow is applicable)

[The Initial Stock Loan rate in respect of *[specify in relation to each relevant Share/Security]* is [●].

(N.B. Only applicable if Increased Cost of Stock Borrow is applicable)

- (iii) [Condition ● applicable.]

- (iv) Delayed Redemption on Occurrence of Additional Disruption Event: [Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST

33. Interest: The Certificates [do not] pay interest.

34. Fixed Rate Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Fixed Rate[(s)] of Interest ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption): *[specify]* per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear].

- (b) Interest Period End Date(s): *[specify]* in each year.

Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/None]

- (c) Interest Payment Date(s): *[specify]* in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted.]
 Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/None/Not Applicable]

(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)

- (d) Fixed Coupon Amount[(s)]: *[specify]* per Certificate
- (e) Day Count Fraction: *[specify]* [30/360/Actual/Actual (-[ICMA]/-[ISDA])/Actual/365 (Fixed/Sterling)/Actual/360/30/360/30E/360/[other]
- (f) Determination Dates: *[specify]* in each year *(Insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Certificates: [Not Applicable/give details]

35. Floating Rate Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Interest Period(s): *[specify]*
- (b) Interest Period End Date(s): *[specify]*
 Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
- (e) Interest Payment Date(s): *[specify]*
 Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not Applicable]

(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)

- (d) Interest Payment Date(s): [specify]
- (e) Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None]
- (f) Manner in which Rate of Interest and Interest Amount to be determined (including on overdue amounts after Redemption Date or date set for early redemption): [Screen Rate Determination/ISDA Determination/other (give details)]
- (g) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
- (h) Screen Rate Determination:
- (i) Reference Rate: [specify]
- (Either LIBOR, EURIBOR or other, although additional information is required if other – [including fallback provisions])*
- (ii) Interest Determination Date(s): [specify]
- (Second London business day prior to the start of each Interest Period if LIBOR and second TARGET day prior to the start of each Interest Period if EURIBOR)*
- (iii) Specified Time: [specify] *(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*
- (iv) Relevant Screen Page: [specify]
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (i) ISDA Determination:
- (i) Floating Rate Option: [specify]
- (ii) Designated Maturity: [specify]

- (iii) Reset Date: *[specify]*
- (j) Margin(s): *[+/-][specify]* per cent. per annum
- (k) Minimum Interest Rate: *[specify]* per cent. per annum
- (l) Maximum Interest Rate: *[specify]* per cent. per annum
- (m) Day Count Fraction: *[specify]* [unadjusted]
- (n) Fallback provisions, day count fraction, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Certificates if different from those set out in the Conditions: *[specify]*
36. Index Linked Interest Certificates: [Applicable/Not Applicable]
- (a) Index/Index Sponsor: *[specify name of index/indices]*
[specify name of index sponsor(s)]
 [The [] Index is a Composite Index]¹
- (b) Formula: *[specify]*
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): *[specify]*
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: *[specify]*
- (e) Interest Period(s): *[specify]*
- (f) Interest Period End Date(s): *[specify]*
 Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
- (g) Interest Payment Date(s): *[specify]*
 Business Day Convention for Interest Payment: [Following/Modified Following/Preceding/FRN/None/Not Applicable]

¹ Specify each Composite Index (if any).

Date(s):

(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)

- (h) Day Count Fraction: [specify]
- (i) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (j) Valuation Date: [specify]
- (k) Valuation Time : [specify]
- (l) Index Correction Period [As per Conditions/specify]
- (m) Observation Dates: [specify]
[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (n) Observation Period: [specify]
- (o) Specified Maximum Days of Disruption: [specify] [Scheduled Trading Days]
- (p) Exchange(s): [specify]
- (q) Related Exchange(s): [specify] /[All Exchanges]
- (r) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (s) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]
(must match election made for Exchange Business Day)
- (t) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Condition ●[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (u) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from ●].

37. Share Linked Interest Certificates: [Applicable/Not Applicable]

- (a) Share(s)/Share Company/Basket Company: [insert type of Share(s) and Share Company/Basket Companies]

- (b) Formula: *[specify] [N.B If Formula includes an initial closing price use term "Initial Price" for relevant definition]*
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): *[specify]*
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: *[specify]*
- (e) Interest Period(s): *[specify]*
- (f) Interest Period End Date(s): *[specify]*
- Business Day Convention for Interest Period End Date(s): *[Following/Modified Following/Preceding/FRN/None]*
- (g) Interest Payment Date(s): *[specify]*
- Business Day Convention for Interest Payment Date(s): *[Following/Modified Following/Preceding/FRN/None/Not Applicable]*
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (h) Day Count Fraction: *[specify]*
- (i) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disruption Day [Omission/Postponement/Modified Postponement] will apply.]
- (j) Valuation Date : *[specify]*
- (k) Valuation Time: *[specify]*
- (l) Observation Dates: *[specify]*
- [In the event that an Observation Date is a Disruption Day [Omission/Postponement/Modified Postponement] will apply.]
- (m) Observation Period: *[specify]*
- (n) Specified Maximum Days *[specify] [Scheduled Trading Days]*

of Disruption:

- (o) Exchange(s): [specify]
- (p) Related Exchange(s): [specify]/[All Exchanges]
- (q) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (r) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]
(must match election made for Exchange Business Day)
- (s) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [specify]. Each such Weighting shall be subject to adjustment [in accordance with ●/[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (t) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from ●]. [(N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.)]

38. Debt Linked Interest Certificates: [Applicable/Not Applicable]
- (a) Debt Securities: [specify]
 - (b) Formula: [specify]
 - (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
 - (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
 - (e) Interest Period(s): [specify]
 - (f) Interest Period End Date(s): [specify]
Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
 - (g) Interest Payment Date(s): [specify]
Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not Applicable]
(If a Business Day Convention is specified for Interest Period

End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)

- (h) Day Count Fraction: [specify]
- (i) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (j) Valuation Date : [specify]
- (k) Valuation Time: [specify]
- (l) Observation Dates: [specify]

[In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (m) Observation Period: [specify]
- (n) Specified Maximum Days of Disruption: [specify]
- (o) Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Certificates, [insert appropriate fallback provisions].
- (p) Exchange Business Day: **Exchange Business Day** means [specify].

39. Commodity Linked Interest Certificates: [Applicable/Not Applicable]

- (a) Commodity/ Commodities: [specify Commodity/Commodities]
- (b) Formula: [specify]
- (c) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): [specify]
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (e) Interest Period(s): [specify]
- (f) Interest Period End Date(s): [specify]

	Business Day Convention for Interest Period End Date(s):	[Following/Modified Following/Preceding/FRN/None]
(g)	Interest Payment Date(s):	[specify]
	Business Day Convention for Interest Payment Date(s):	[Following/Modified Following/Preceding/FRN/None/Not Applicable]
		<i>(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)</i>
(h)	Day Count Fraction:	[specify]
(i)	Pricing Date(s):	[specify]
(j)	Commodity Reference Price:	[specify]
(k)	Specified Maximum Days of Disruption:	[specify]
(l)	Additional Disruption Fallback(s):	[specify]/[Not Applicable]
(m)	Valuation Date:	[specify]
(n)	Valuation Time:	[specify]
40.	Currency Linked Interest Certificates:	[Applicable/Not Applicable]
(a)	The relevant base currency (the Base Currency) is:	[specify]
(b)	The relevant subject [currency/currencies] (each a Subject Currency) [is/are]:	[specify]
(c)	Formula:	[specify]
(d)	Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent):	[specify]
(e)	Provisions for determining coupon where calculation	[specify]

by reference to Formula is impossible or impracticable:

- (f) Interest Period(s): [specify]
- (g) Interest Period End Date(s): [specify]
Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
- (h) Interest Payment Date(s): [specify]
Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not Applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (i) Day Count Fraction: [specify]
- (j) Relevant Screen Page: [specify]
- (k) Valuation Date: [specify]
- (l) Valuation Time: [specify]
- 41. Fund Linked Interest Certificates: [Applicable/Not Applicable]
 - (a) Fund: [specify]
[The [] Fund is an ETF]¹
 - (b) Fund Share(s): [specify]
 - (c) Formula: [specify]
 - (d) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): [specify]
 - (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
 - (f) Interest Period(s): [specify]
 - (g) Interest Period End Date(s): [specify]

¹ Specify each ETF (if any).

- Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None]
- (h) Interest Payment Date(s): [specify]
- Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not Applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (i) Day Count Fraction: [specify]
- (j) Fund Documents: [specify]
- (k) Additional Extraordinary Fund Event(s): [specify]
- (l) Number of NAV Publications Days: [specify]
- (m) Settlement Price: [specify]
- (n) Valuation Time : [specify]
- (o) Valuation Date: [specify]
- (p) Consequences of Extraordinary Fund Event: [specify]
- (q) Exchange: [specify]/[Not Applicable]
- (r) Termination Amount: [specify]/[Not Applicable]
- (s) Portfolio: [specify]/[Not Applicable]
- (t) Zero Coupon Curve: [specify]/[Not Applicable]
- (u) Additional Provisions: [specify]
42. Futures Linked Interest Certificates: [Applicable/Not applicable]
- (a) Futures: [insert type of Futures]
- (b) Formula: [specify] [N.B If Formula includes an initial closing price use term "Initial Price" for relevant definition]

- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [specify]
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [specify]
- (e) Interest Period(s): [specify]
- (f) Interest Period End Date(s): [specify]
Business Day Convention for Interest Period End Date(s): [Following/Modified Following/Preceding/FRN/None/Not applicable]
- (g) Interest Payment Date(s): [specify]
Business Day Convention for Interest Payment Date(s): [Following/Modified Following/Preceding/FRN/None/Not applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (h) Day Count Fraction: [specify]
- (i) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (j) Interest Valuation Time: [specify]
- (k) Valuation Date: [specify]
- (l) Observation Dates: [specify]
[In the event that an Observation Date is a Disruption Day [Omission/Postponement/Modified Postponement] will apply.]
- (m) Observation Period: [specify]
- (n) Specified Maximum Days of Disruption: [As defined in Condition 4]/[specify] [Scheduled Trading Days]
- (o) Exchange(s): [specify]

- (p) Exchange Business Day: [Single Future Basis/All Futures Basis/Per Futures Basis]
- (q) Scheduled Trading Day: [Single Future Basis/All Futures Basis/Per Futures Basis]
(*must match election made for Exchange Business Day*)
- (r) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is *[specify]*. Each such Weighting shall be subject to adjustment [in accordance with Futures Certificate Condition 0/*[specify other]*. (*N.B. Only applicable in relation to Certificates relating to a Basket*)]
- (s) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Futures Certificate Condition 0*]. [*(N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.)*]
- (t) Other terms or special conditions: [Not applicable]/[*specify*]

ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

43. Issuer Call Option: [Applicable/Not Applicable]
(*N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [*specify*]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [*specify*]
- (c) Notice period (if different from those set out in the Conditions): [*specify*]

HOLDER PUT OPTION IN RESPECT OF CERTIFICATES

44. Holder Put Option: [Applicable/Not Applicable]
(*N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [*specify*]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [*specify*]

- (c) Notice period (if different from those set out in the Conditions): *[specify]*

PROVISIONS RELATING TO VALUATION ON REDEMPTION

45. Cash Settlement Amount: *[insert details of Cash Settlement Amount/Redemption Amount and how it is to be calculated for Cash Settled Certificates]*
46. Strike Date: *[specify]*
(*N.B. Only relevant for certain Index and Share Certificates*)
47. Valuation Date: *[specify]* (
48. Averaging: Averaging *[applies / does not apply]* to the Certificates. *[The Averaging Dates are [specify].] (Not applicable to Inflation Index Certificates)*
- [In the event that an Averaging Date is a Disrupted Day [Omission / Postponement / Modified Postponement] (as defined in Condition ●) will apply.] (N.B. Not applicable for Commodity Certificates)*
- [In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] (N.B. Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates).]*
49. Observation Dates: *[specify]*
- [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] (N.B. Not applicable to Commodity Certificates)*
- [In the event of Modified Postponement applying, the Observation Date will be determined] [specify relevant provisions] (N.B. Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates).]*
50. Observation Period: *[specify]* (*Not applicable to Inflation Index Certificates*)
51. Settlement Business Day: **Settlement Business Day** for the purposes of Condition 7 means *[specify]*. (*N.B. Only applicable in the case of Physical Delivery Certificates*)
52. Cut-off Date: *[specify]* (*N.B. Only applicable in the case of Physical Delivery Certificates and if provisions in Conditions not applicable*)

DISTRIBUTION

53. Method of distribution: *[Syndicated/Non-Syndicated]*

- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, and addresses and underwriting commitments]
(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)
- (b) Date of Subscription Agreement: []
54. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
55. [Total commission and concession: []]
56. Non exempt Offer* : [Not Applicable] [An offer of Certificates may be made by the Manager[s] [and [specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] (**Offer Period**). See further Paragraph 9 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)
57. Additional Selling Restrictions; [Insert any additional selling restrictions]

[Listing Application]

* Not relevant for an issue of Warrants with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency).

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Certificates described.]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. The information included in [the Annex] (the [●] **Information**) consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

As Issuer:

By: Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading:

[The Certificates are unlisted]/[Application has been made to list the Certificates on Euronext Amsterdam by NYSE Euronext] [*specify other exchange*].

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

2. [Ratings]

Ratings:

The Certificates to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:

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

3. [Risk Factors]

[include any product specific risk factors which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a 48 hour time period or (ii) a Prospectus.]]

4. [Notification]

The Authority for the Financial Markets, which is the Netherlands competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

The Issuer has authorised the use of these Final Terms and the Base Prospectus dated 24 September 2009 by [the Managers] and [include names [and addresses] of other financial intermediaries involved in the offer] (the **Distributors** [and, together with the Managers, the **Financial Intermediaries**]) in connection with offers of the Certificates to the public in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] for the period set out in paragraph [●] below.]

5. [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement]:

"Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

6. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses]¹

(a) Reasons for the offer: [●]

(See 'Use of Proceeds'" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(b) Estimated net proceeds: [●]

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

(c) Estimated total expenses: [●] [Include breakdown of expenses]

(d) [Fees [●] [Include breakdown of fees]]

7. Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

[need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.]
[Where the Underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained]

8. Operational Information

(a) ISIN:

(b) Common Code:

(c) [Relevant Clearing System(s): [Euroclear Netherlands/other]

¹ Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

- (d) If other than Euroclear Netherlands, include the relevant identification number(s) [Identification number(s):]

9. Terms and Conditions of the Public Offer

- (a) Offer Price: [Issue Price/ *give details*]
- (b) Conditions to which the offer is subject: [Not Applicable/*give details*]
- (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable/*give details*]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/*give details*]
- (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/*give details*]
- (f) Details of the minimum and/or maximum amount of application:¹ [Not Applicable/*give details*]
- (g) [Details of the method and time limits for paying up and delivering the Warrants:] [Not Applicable/*give details*]
- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable/*give details*]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable/*give details*]
- (j) [Categories of potential investors] [Not Applicable/*give details*]

¹ Whether in number of certificates or aggregate amount to invest.

to which the Certificates are offered and whether tranche(s) have been reserved for certain countries:]

- (k) [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not Applicable/give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable/give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable/give details]
- (n) [Description of the application process:] [Not Applicable/give details]

10. Yield

[Fixed Rate Certificates only]

[An indication of yield. Describe the method whereby that yield is calculated in summary form.]

11. Historic Interest Rates

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

USE OF PROCEEDS

The net proceeds of the Securities will be used by the Issuer for general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

CLEARING AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear Netherlands, Euroclear or Clearstream, Luxembourg (together, the "Book-Entry Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book Entry Clearing System. Neither the Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-Entry Ownership

Euroclear Netherlands

Unless specified otherwise in the applicable Final Terms, all Securities will be issued in uncertificated and dematerialised book entry form in accordance with the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) and the rules, regulations and operating procedures applicable to and/or issued by Euroclear Netherlands from time to time. No physical global or definitive Securities or certificates will be issued in respect of the Securities.

Euroclear and Clearstream, Luxembourg

Transfers of any interests in Securities represented by a Global Security within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

DESCRIPTION OF BUSINESS OF THE RABOBANK GROUP

Unless the context otherwise requires, references in this summary to ‘our’, ‘we’, ‘us’, the ‘Rabobank Group’, ‘Rabobank’ or the ‘Group’ are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) and its members, subsidiaries and affiliates. Rabobank Nederland is a trading name of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. Rabobank Structured Products is a defined name for the purposes of this Offering Circular and the Structured Medium Term Note Programme of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

General

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. It comprises 152 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 46 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 9.5 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food & agri. The Rabobank Group entities have strong relationships due to Rabobank’s cooperative structure.

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor’s (AAA since 1981) and Moody’s (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world’s 25 largest financial institutions (source: The Banker).

Rabobank Group’s cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With nearly 1,100 branches and more than 3,000 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 7.5 million clients, both private and corporate, offering a comprehensive package of financial services.

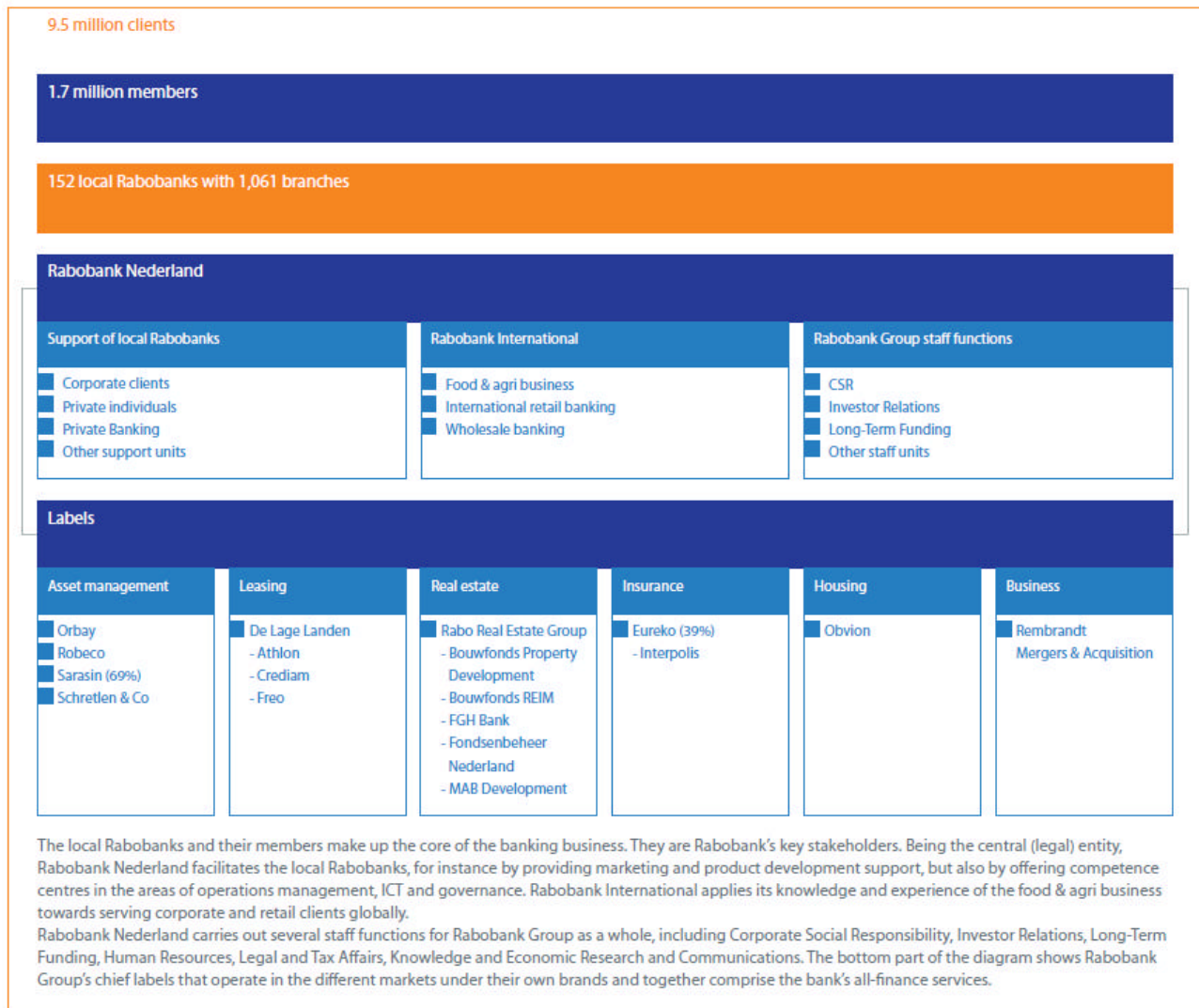
Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group’s wholesale bank and international retail bank.

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an ongoing programme, Rabobank Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to be a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end, Rabobank Group pursues an all-finance concept, meaning that it provides an integrated range of financial services comprising primarily domestic retail banking, wholesale and international retail banking, asset management and investment, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As part of this all-finance strategy, Rabobank Group focuses on operations that produce fee-based income in addition to its traditional interest-based income sources.

At 30 June 2009, the Rabobank Group had total assets of € 615.4 billion, a private sector loan portfolio of € 415.2 billion, amounts due to customers of € 284.9 billion, saving deposits of € 119.7 billion and equity of € 36.9 billion. Of the private sector loan portfolio, € 197.3 billion, virtually all of which are mortgages, consists of loans to private individuals, € 147.7 billion of loans to the trade, industry and services sector and € 70.3 billion of loans to the food & agri sector. At 30 June 2009, its Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 13.0%. In the first half of 2009, the Rabobank Group’s efficiency ratio was 59.1%, and the return on equity, or net profit expressed as a percentage of core capital,

was 8.7%. In the first half of 2009, the Rabobank Group realised a 18% decline in net profit to € 1.3 billion and a RAROC or the risk-adjusted return on capital, of 11.8% after tax. At 30 June 2009, the Rabobank Group had 60,490 full-time employees.

Rabobank Group



Business activities of the Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its subsidiaries, the Rabobank Group provides services in the following five core business areas: domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate.

Domestic retail banking

The domestic retail banking business comprises the local Rabobanks and Obvion. The 152 independent local Rabobanks have nearly 1,100 branches and operate more than 3,000 cash-dispensing machines. In the Netherlands, Rabobank is the largest mortgage bank, savings bank and insurance agent. Based on internal estimates, the Group believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers and it is the largest mortgage lender in this field in the Netherlands (source: Dutch Land Registry Office (*Kadaster*)).

At 30 June 2009, Rabobank Group's domestic retail banking operations had total assets of € 324.4 billion, a private sector loan portfolio of € 274.7 billion, amounts due to customers of € 181.1 billion and saving deposits of € 107.0 billion. For the six months ended 30 June 2009, Rabobank Group's domestic retail banking operations accounted for 49%, or € 3,043 million, of Rabobank Group's total income and 37%, or € 486 million, of Rabobank Group's net profit. At 30 June 2009, Rabobank Group's domestic retail banking operations employed 29,019 full-time employees.

Local Rabobanks

The local Rabobanks serve approximately 7.5 million Dutch clients, both private and corporate, with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with Rabobank. Traditionally, the local Rabobanks have had close ties with the agricultural sector. In addition, they finance a broad range of enterprises, from small companies to listed enterprises. Together, the local Rabobanks are the largest insurance broker in the Netherlands.

Obvion N.V.

Obvion is a joint venture of Rabobank Group and ABP (the Dutch civil service pension fund). It is a provider of mortgages and several service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers. Obvion is the largest mortgage lender in this field in the Netherlands. Rabobank Group has a 50% shareholding in Obvion and a voting share of 70%.

Rabohypotheekbank

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is owned 100% by Rabobank Nederland.

Rabohypotheekbank also serves as a supplementary financing vehicle for the local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. At 31 December 2008, Rabohypotheekbank had assets of € 11.9 billion.

Wholesale and international retail banking

Rabobank International

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food & agri sector. Rabobank International is a division of Rabobank Nederland and has branches in 28 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand, and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Structured Finance, Leveraged Finance, Renewable Energy & Infrastructure Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Global Financial Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Leveraged Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Structured Finance offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well.

This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland and New Zealand.

Rabobank's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly owned subsidiary, and the Polish Bank BGZ, in which Rabobank International has a 59% stake.

Over the last few years, Rabobank International has strengthened its position in retail banking. It expanded its activities in the United States by acquiring Community Bank of Central California in 2006 and Mid-State Bank & Trust in 2007. In 2008, Rabobank International increased its 46% stake in the Polish Bank BGZ to a majority interest of 59%. Smaller acquisitions of retail banking activities were made in Chile and Indonesia in 2007.

In addition, Rabobank International has interests in private equity. Under the Rabo Participaties and Rabo Capital labels, Rabobank Group's investment unit, Rabo Private Equity, focuses on medium-sized Dutch enterprises. Its Rabo Ventures label focuses on new enterprises in the clean technology sector. Rabobank also participates in independent private equity enterprises such as Langholm and a number of Gilde funds.

At 30 June 2009, Rabobank Group's wholesale and international retail banking operations had total assets of € 419.8 billion and a private sector loan portfolio of € 99.6 billion. For the six months ended 30 June 2009, Rabobank Group's wholesale and international retail banking operations accounted for 28%, or € 1,777 million, of Rabobank Group's total income and 33%, or € 428 million, of Rabobank Group's net profit. For the year ended 31 December 2008, Rabobank International's retail activities accounted for 43% of total wholesale and international retail banking operations income. At 30 June 2009, Rabobank Group's wholesale and international retail banking operations had 15,211 full-time employees.

Asset management and investment

Rabobank Group's asset management business is handled by Robeco, an asset manager with global operations, as well as by the Swiss private bank Sarasin and by Schretlen & Co, the Dutch private bank. Rabobank Group has a 46% stake in Sarasin and a voting share of 69%.

At 30 June 2009, the assets managed and held in custody of Rabobank Group's asset management and investment operations amounted € 194.7 billion. For the six months ended 30 June 2009, Rabobank Group's asset management and investment operations accounted for 7%, or € 455 million, of Rabobank Group's total income and they realised a net loss of € 9 million. At 30 June 2009, Rabobank Group's asset management and investment operations had 3,515 full-time employees.

Robeco Groep N.V.

Robeco was founded in Rotterdam in 1929. It provides investment products and services to approximately 700 institutional and approximately 1.5 million private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-income investments, money market and real estate funds, sustainable and socially responsible investments, as well as alternative investments, including private equity, hedge funds and structured products. In addition to its home markets in the Netherlands and the United States, Robeco operates in Europe, Asia and the Middle East.

Rabobank Nederland owns a 100% equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to € 4,537,803 (4,537,803 shares with a nominal value of € 1 each) at 31 December 2008.

For the year ended 31 December 2008, Robeco's net result was € 159 million, corresponding to € 35.15 per share. At 31 December 2008, Rabobank Nederland's liabilities to Robeco amounted to € 252 million (bonds),

€ 1,287 million (current account) and € 271 million (loans and deposits). At 31 December 2008 Rabobank Nederland's claims on Robeco amounted to € 243 million (loans) and € 200 million (current account).

At 30 June 2009, Robeco managed € 114.6 billion in assets.

Schretlen & Co N.V.

Schretlen & Co is the private banking specialist within Rabobank Group. Its activities include asset management and advice, combined with asset planning, which are focused on high net-worth individuals and medium-sized institutional investors in the Netherlands. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Collaboration with local Rabobanks has resulted in, among other things, Rabobank Beheerd Beleggen and the Rabobank Effecten Advies Desk. Rabobank Nederland owns a 100% equity interest in Schretlen & Co.

At 30 June 2009, Schretlen & Co managed € 6.6 billion in assets.

Bank Sarasin & Cie S.A.

Sarasin is a Swiss private bank founded in 1841. Its shares are listed at the Swiss stock exchange SWX. Rabobank Group has, by holding shares with and without voting rights, a 46% shareholding in Sarasin and a voting share of 69%. The Sarasin Group is an international service provider, with a focus on sustainability. It is represented in 13 countries in Europe, the Middle East and Asia. Sarasin offers a high level of services and expertise as an investment advisor and asset manager for high net-worth private individuals and institutions.

At 30 June 2009, Sarasin managed € 52.4 billion in assets.

Leasing, De Lage Landen International B.V.

De Lage Landen is responsible for Rabobank Group's leasing business. Asset financing products help manufacturers, vendors and distributors to promote sales in more than 30 countries around the world. In addition, De Lage Landen operates its international car lease business Athlon Car Lease in eight European countries. In the Netherlands, De Lage Landen offers a broad range of leasing and trade financing products. Through the Freo brand, among others, it supports Rabobank Group's efforts to be the Dutch market leader in consumer credits.

De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to € 98,470,307 all of which is owned by Rabobank Nederland. At 31 December 2008, Rabobank Nederland's liabilities to De Lage Landen amounted to € 2,007 million. At 31 December 2008 Rabobank Nederland's claims on De Lage Landen amounted to € 21,768 million (loans and current account). All liabilities of De Lage Landen are guaranteed (through the cross-guarantee system) by Rabobank Nederland and the other participants of this system.

At 30 June 2009, De Lage Landen had a loan portfolio of € 23.6 billion. For the six months ended 30 June 2009, De Lage Landen accounted for 8%, or € 484 million, of Rabobank Group's total income and 4%, or € 47 million, of Rabobank Group's net profit. At 30 June 2009 Rabobank Group's Leasing operations employed 4,672 full-time employees.

Real estate, Rabo Vastgoedgroep N.V.

Rabobank Group's private and corporate Real Estate activities are performed by Rabo Real Estate Group (Rabo Vastgoedgroep). This real estate enterprise focuses on three core businesses: the development of owner occupied houses and commercial real estate, finance and asset management. In these markets, Rabo Real Estate Group operates under the brands Bouwfonds Property Development, MAB Development, FGH Bank

and Bouwfonds REIM. Rabo Real Estate Group operates mainly in the Benelux countries, Germany and France. Rabobank Nederland owns a 100% equity interest in Rabo Real Estate Group.

For the six months ended 30 June 2009, the Rabo Real Estate Group sold 2,636 houses. At 30 June 2009 Rabo Real Estate Group managed € 6.9 billion of real estate assets and its loan portfolio amounted € 16.5 billion. For the six months ended 30 June 2009, the Real Estate operations accounted for 4%, or € 243 million, of Rabobank Group's total income and 3%, or € 39 million, of Rabobank Group's net profit. At 30 June 2009, Rabobank Group's Real Estate operations had 1,626 full-time employees.

Participations

Eureko B.V.

Rabobank has a 39% interest in Eureko, an international provider of financial services in the area of insurance with approximately 25,000 full-time employees. Rabobank does not exercise control over Eureko and therefore does not consolidate Eureko as a subsidiary in Rabobank's financial statements. Eureko is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. Achmea, which is part of Eureko, is the largest insurance group in the Dutch domestic market (source: Eureko Annual Report 2008), with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekeringen and Zilveren Kruis Achmea. In the Netherlands, Eureko serves a broad customer base of private individuals as well as government and corporate clients. Abroad, Eureko operates in 12 European countries. Rabobank and Eureko work closely together in the area of insurance. The majority of the insurance products sold by local Rabobanks is from Interpolis, which provides a broad range of non-life, health and life insurance policies for both private individuals and enterprises. With more than a million private individuals and several hundreds of thousands of enterprises as clients, Interpolis is one of the major players in the Dutch insurance market. In the Netherlands, Interpolis is a market leader in the agricultural sector (source: Eureko Annual Report 2008).

Recent developments

Interim report 2009

On 26 August 2009, the Rabobank Group presented its interim report for the six months ended 30 June 2009. On this occasion, it was noted that many western countries are still battling with recession, including the Netherlands, which is experiencing its most severe economic decline since World War II. This has created great problems for customers, which is reflected in the results of the Rabobank Group. During the first half of 2009 growth in income levelled off, and, just as in the second half of 2008, bad debt costs were high. As a result of these developments, the Rabobank Group achieved a net profit of € 1.3 billion, down 18% compared with the same period last year. The Rabobank Group continued to have an extremely robust capital position, as reflected in its Tier 1 ratio of 13%. The gloomy economic outlook is likely to affect levels of activity at the Rabobank Group's clients. This will lead to growth in lending further levelling off. Furthermore, interest income at local Rabobanks has come under pressure owing to fierce competition on the Dutch savings market. Bad debt costs are also expected to continue to be higher than the long-term average. Improved margins and further cost cuts will be necessary to maintain the sound capital position of the Rabobank Group.

Rabobank and Rothschild establish global food & agri cooperation

As from January 1, 2009 Rabobank International Holding B.V. and Rothschild entered into a cooperation agreement in the field of mergers and acquisitions and equity capital markets advisory in the food & agri sectors on a global basis. Rothschild and Rabobank both have strong global food & agri advisory franchises in mergers and acquisitions. Under the agreement both firms will pool their respective industry knowledge, resources and relationships while expanding their respective geographic reach and client base through an enhanced breadth of services. In order to strengthen the relationship between the two parties, Rabobank also

acquired a 7.5% stake in Rothschilds Continuation Holdings (“RCH”) and a Rabobank representative joined the RCH board of directors.

Eureko

On February 16, 2009, Eureko announced that, following consultations with its shareholders Rabobank and Achmea Association, it will increase its capital by € 1 billion. This measure is intended to increase Eureko’s solvency. Rabobank is contributing € 400 million to the capital injection; however, this will not increase Rabobank’s relative ownership stake in Eureko.

Issue of Capital Securities

On February 27, 2009, Rabobank Nederland issued € 500 million Perpetual Noncumulative Capital Securities and on May 27, 2009, Rabobank Nederland issued NZ\$280 million Perpetual Noncumulative Capital Securities. On 4 June 2009, Rabobank Nederland issued U.S.\$ 1,368,297,000 Perpetual Noncumulative Capital Securities in exchange for Rabobank Capital Funding Trust II Trust Preferred Securities and of Rabobank Capital Funding Trust III Trust Preferred Securities. On 4 June 2009, Rabobank Nederland issued an additional U.S.\$ 1,500,000,000 Perpetual Noncumulative Capital Securities, forming part of the same series of Capital Securities as issued in connection with the exchange effected on the same date. On 12 August 2009, Rabobank Nederland issued CHF 750 million Perpetual Noncumulative Capital Securities.

Strategy of the Rabobank Group

Rabobank’s strategic objectives are set out in its Strategic Framework 2005-2010, which it has been implementing since its introduction. Following changes in the Dutch banking market that took place in 2008, and the turbulent developments in the international financial markets, the Rabobank Group has been considering adjustments to the framework. Accordingly, at the end of 2008, the Rabobank Group began formulating adjustment proposals for a revised Strategic Framework covering the period 2009-2012. Under these proposals, the principles of the framework were refocused and reprioritised in several areas. Rabobank approved the new Strategic Framework on March 18, 2009 in its Central Delegates Assembly.

Strategy principles

As a cooperative, Rabobank prioritises clients’ interests, and Rabobank’s structure and processes are focused accordingly. Through their influence and control, members enforce discipline on the cooperative.

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Management believes that the diversification within the Rabobank Group benefits its financial stability, and that Rabobank Group’s broad range of knowledge and expertise results in innovation and synergies within Rabobank. Market leadership remains important to Rabobank Group, but management believes this must be balanced with prudent margins and the Rabobank Group’s cooperative mandate.

International growth is necessary because opportunities for growth in the domestic market are set to gradually level out. Moreover, management believes food & agri is an attractive niche because of Rabobank’s global knowledge of food & agri, which it attributes to its connection with the agricultural and horticultural sectors of the Dutch market. Rabobank International also intends to expand its activities in sustainable energy and clean technology.

Under the present economic conditions management believes a high credit rating is important and that a healthy balance sheet, stable profit growth and a high Tier I ratio are prerequisites for a high credit rating.

In addition, Corporate Social Responsibility (“CSR”) policy within Rabobank Group, including its core banking processes, must meet high standards.

Strategy adjustment

At the end of 2008 and in connection with the changes in global market conditions, adjustment proposals for a revised Strategic Framework covering the period 2009-2012 were brought up for discussion within Rabobank Group.

Under the revised Strategic Framework, Rabobank is putting greater emphasis on sound balance sheet ratios. Growth in lending largely depends on growth in amounts due to customers and as a result, management believes that both the local Rabobanks and Rabobank International should provide for a significant part of their own funding. Expansion of the activities of subsidiaries will be aligned with the volume of funding available at Rabobank Group level.

In the Netherlands, Rabobank aims to be the largest bank for corporate enterprises. A stronger position in the corporate market offers private banks additional opportunities to the “private entrepreneur” as well. Rabobank also seeks further growth in the private-banking segment through differentiated customer service, collaboration with subsidiaries and improved quality of advice.

Rabobank aims to develop further as a cooperative. The revised Strategic Framework will enable local Rabobanks to respond to changing client priorities. At the same time, the programme introduces an optimised servicing model and produces cost reductions from standardisation. In order to maintain their market leadership, the local Rabobanks must operate at competitive rates.

Rabobank International will focus more on Rabobank Group’s core activities. In the Netherlands, this means supporting the Rabobank Group’s aim to be the largest corporate bank in the Netherlands. Outside the Netherlands, Rabobank International intends to focus more on food & agri. In addition, Rabobank International plans to expand its activities in the areas of sustainable energy and clean technology. Global Financial Markets will confine itself to client-related activities and liquidity management; other activities will be phased out. In the Netherlands, Rabo Development intends to gradually increase the number of minority interests in partner banks having a food & agri focus in developing countries. Abroad, the Rabobank Foundation will focus on countries where Rabobank International and/or Rabo Development operate.

The Rabobank Group’s subsidiaries will similarly focus more on supporting the realisation of Rabobank Group’s core objectives: market leadership in all-finance services in the Netherlands and building up a distinct position as the world’s pre-eminent food & agri bank. Other important main functions of the subsidiaries and participations will continue to be leveraging of specialisations and achieving sound financial returns.

Strategic core objectives

The Rabobank Group’s strategic core objectives are:

- to achieve all-finance market leadership in the Netherlands;
- to strengthen Rabobank’s position as the leading international food & agri bank;
- to expand, and develop additional synergies with, the Rabobank Group subsidiaries.

Strategy for domestic retail banking

The adjustment of the Strategic Framework reflects that Rabobank is pursuing market leadership in the Netherlands as an all-finance service provider. This market leadership strategy also includes roles for mortgage provider Obvion as well as for Bizner. By increasing its focus on the corporate market, Rabobank aims to be the largest corporate bank in the Netherlands. In addition, it has expressed its ambitions for growth in the market for private banking. As a result of a stronger focus on sound balance sheet ratios, the local

Rabobanks will be financing a large proportion of their growth in lending from amounts due to customers. The implementation of the revised Strategic Framework is another important element in the adjusted strategy.

Strategy for wholesale banking and international retail banking

Rabobank aims to be the pre-eminent global food & agri bank, with a focus on renewable energy and clean technology. Rabobank International intends to address this further and to broaden and deepen its product range for the food & agri market. Global Financial Markets will focus on client-related activities and liquidity management. Other activities will be phased out and its services will be tailored more to core clients. Rabobank International intends to strengthen the international retail banking activities further, while giving priority to existing major agricultural focus areas in Australia, Brazil, California and Poland. Renewable energy and clean technology will receive greater attention through project finance and venture capital.

Strategy for asset management and investment

Asset managers Robeco, Sarasin and Schretlen & Co offer high-quality services to a range of investors and intend to expand the range of products and services offered. Both the distribution network and the institutional sales and asset management activities will be expanded on a selective basis. At the same time, Rabobank Group aims to strengthen its position in the market for high net-worth individuals and institutional investors and consolidate its positions in the Netherlands and abroad.

Strategy for leasing

De Lage Landen offers finance solutions worldwide for producers and distributors of capital assets. Athlon Car Lease is considering opportunities to expand its operations in Europe. De Lage Landen serves Rabobank clients with a broad package of lease and factoring products. De Lage Landen aims to strengthen Rabobank Group's position in the Dutch market for consumer credits by granting consumer credits through the local Rabobanks and the Freo label.

Strategy for real estate

Rabo Real Estate Group operates in three core businesses: developing, finance and investing. Its target is to maintain and strengthen its leading position in the Dutch market for owner-occupied houses and commercial real estate. In addition, Rabo Real Estate Group intends to maintain and, where possible, expand its solid position in the Dutch real estate finance market. Within Rabobank Group, Rabo Real Estate Group is the centre of expertise on real estate investments. Leveraging Rabobank's distribution power and growing its knowledge of real estate management will contribute to growth in assets under management.

Corporate social responsibility

One of the cornerstones of the Rabobank Group Strategic Framework is a high quality policy for corporate social responsibility. Within this scope, Rabobank continued to develop its CSR policy and activities in 2008.

Employees

The Rabobank Group needs the right people to achieve its strategic goals. Rabobank invests in its employees, not just in terms of their conditions of employment, but also by providing training, opportunities for growth and healthcare, and helping employees achieve a good work/life balance. The Rabobank Group's workforce is aging, and in a changing and innovative environment such as Rabobank's, it is vital that its employees are versatile and have the relevant skills. Rabobank also prioritises talent development, diversity and raising awareness of CSR among its employees.

For the year ended 31 December 2008, the rate of absenteeism was 3.8% and Rabobank's employee satisfaction score was 86% according to internal surveys. At 30 June 2009, the Rabobank Group employed 60,490 full-time employees.

Competition

The Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has increased competition among banks in the Netherlands significantly. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and private savings. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. This may affect the competitive environment in which the Rabobank Group operates in the Netherlands and Management expects competition in the Dutch savings market to continue in 2009.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. Rabobank has a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 60%. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in the Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for the Rabobank Group.

Market shares in the Netherlands

Set forth below is information regarding the Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

Residential mortgages: At 30 June 2009, the Rabobank Group had a market share of 30.1% of new home mortgages in the Dutch mortgage market by value (26.8% by local Rabobanks and 3.3% by Obvion; source: Dutch Land Registry Office (*Kadaster*)). The Rabobank Group is the largest mortgage-lending institution in the Netherlands.

Saving deposits of individuals: At 30 June 2009, the Rabobank Group had a 39.5% market share in the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). The Rabobank Group is the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits. Of the total saving deposits in the Netherlands, 37.8 % are held by the local Rabobanks and 1.7% are held by Robeco's savings bank Roparco.

Lending to small and medium-sized enterprises: At 30 June 2009, the Rabobank Group had a 41% market share of domestic loans to the trade, industry and services sector (i.e. small enterprises with fewer than 100 employees; measured by its own surveys). The Rabobank Group is the leader in loans to the Dutch agricultural sector and in the small and medium-sized business sector.

Agricultural loans: At 31 December 2008, the Rabobank Group had a 84% market share of loans and advances made by banks to the Dutch primary agricultural sector (measured by its own surveys).

Properties

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some of the Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, the Rabobank Group's investment portfolio includes investments in land and buildings. Management believes that the Rabobank Group's facilities are adequate for its present needs in all material respects.

Insurance

On behalf of all entities of the Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Management is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

Legal proceedings

The Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against the Rabobank Group which arise in the ordinary course of its businesses, including in connection with Rabobank Group's activities as an insurer, lender, employer, investor and taxpayer during a period covering at least the previous 12 months. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation, the Issuer believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any future proceedings and litigation, will not have a material adverse or significant effect on the Rabobank Group's financial condition or profitability, given its size, robust balance sheet, stable income stream and prudent provisioning policy.

THE RABOBANK GROUP STRUCTURE

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands and was incorporated with unlimited duration on 22 December 1970. A cooperative under the laws of the Netherlands has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland was registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands in December 1970 under number 30046259. The executive offices are located at: Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000.

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares. As of 1 July 2008, after amendment of the articles of association approved by the General Meeting on 19 June 2008, the total number of outstanding shares is 2,004,015 of € 1,000 each, thus increasing the share capital of Rabobank Nederland from € 638 million to € 2,004 million. As of 1 July 2009, as approved by the General Meeting on 18 June 2009, the total number of outstanding shares of the Issuer has been increased to 4,001,200 of € 1,000 each, thus increasing the share capital of Rabobank Nederland from € 2,004 million to € 4,001 million. A third increase in number of shares is planned as of 1 July 2010 increasing the share capital of Rabobank Nederland towards € 6 billion. On the basis of a prescribed allocation formula, which included taking into account the total balance sheet position, Tier I capital and commercial profits of each local Rabobank, these shares were distributed to the members.

As members of Rabobank Nederland, the local Rabobanks have certain ownership rights with respect to Rabobank Nederland. However, their position with respect to ownership cannot be compared to the position of shareholders in a corporation. Pursuant to Rabobank Nederland's articles of association, if, in the event of Rabobank Nederland's liquidation, whether by court order or otherwise, its assets should prove to be insufficient to meet its liabilities, the local Rabobanks, as members of Rabobank Nederland at the time of the liquidation as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it should prove impossible to recover the share of one or more liable members or former members in the shortfall, the remaining liable parties shall be liable in the same proportion for the amount not recovered. Under the articles of association of Rabobank Nederland, the total amount for which members or former members are liable shall never exceed 3% of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the cross-guarantee system and their liability under the compensation agreements (as described below).

Rabobank Nederland's functions within the Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*). Finally, Rabobank Nederland operates its own

banking business, both complementary to and independent of the business of the local Rabobanks and is the holding company of various subsidiaries.

The local Rabobanks are organised as cooperative entities under the laws of the Netherlands and draw all of their members from their customers. Through mergers, the number of local Rabobanks has decreased from 174 at 31 December 2007, to 153 at 31 December 2008, to 152 at 30 June 2009. At 31 December 2008, the local Rabobanks had approximately 1,731,000 members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

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

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 Financial Supervision Act. This relationship is formalised in an internal cross-guarantee system (*kruislingse garantieregeling*), which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfil those obligations. Participating entities within the Rabobank Group are:

Rabobank Nederland

Local Rabobanks

De Lage Landen International B.V.

De Lage Landen Financiering B.V.

De Lage Landen Trade Finance B.V.

De Lage Landen Financial Services B.V.

Schretlen & Co N.V.

Rabohypotheekbank N.V.

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.

403 Declaration

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of Rabobank Group companies under Section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*).

In addition, Rabobank Nederland provides (bank) guarantees in its ordinary course of business.

Rabobank Nederland's "central bank" activities

Capital adequacy and liquidity

The cross-guarantee system operates in concert with the regulatory and administrative oversight of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on a consolidated basis, based on Article 3:111 of the Financial Supervision Act, Rabobank Nederland has responsibility for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland,

however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by the issue of shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such local Rabobank's authority to make lending decisions within the Rabobank Group's lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks.

Supervision on market conduct

Pursuant to Section 2:105 of the Financial Supervision Act, Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, the supervision by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and the notes thereto of the Rabobank Group incorporated by reference in this Prospectus. As of 2005, the financial statements have been prepared in accordance with the International Financial Reportings Standards as adopted by the European Union ('IFRS'). The financial data in the (sub) paragraphs in this chapter marked with an asterisk () has not been directly extracted from the audited financial statements but instead is unaudited and derived from the accounting records of Rabobank Nederland, unless otherwise stated.*

Business overview*

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. It comprises 152 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 46 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 9.5 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food & agri. The Rabobank Group entities have strong relationships due to Rabobank's cooperative structure.

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world's 25 largest financial institutions.

Rabobank Nederland, the local Rabobanks and certain subsidiaries in the Rabobank Group are linked through a "cross-guarantee system". The cross-guarantee system provides for intra-group credit support among Rabobank Nederland, all local Rabobanks and certain of the Rabobank Group's subsidiaries that are the other participating institutions. Under the cross-guarantee system, funds are made available by each participating institution if another participant suffers a shortfall in its funds. If a participating institution is liquidated and has insufficient assets to cover its liabilities, the other participating institutions are liable for its debts. For more details see, 'The Rabobank Group Structure - Internal liability (cross-guarantee system)'.

The independent local Rabobanks make up Rabobank Group's cooperative core business. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With nearly 1,100 branches and more than 3,000 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 7.5 million clients, both private and corporate, offering a comprehensive package of financial services.

Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

Factors affecting results of operations

General market conditions*

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and increased competition. The financial crisis, which started in the second half of 2007, has affected banks particularly in respect of funding, due to the liquidity shortage. See 'Impact of the financial crisis' below. In the Netherlands, competition for savings is likely to continue. Management expects that the recession will impact Rabobank Group's growth in lending and will result in loan losses that are expected to be above Rabobank Group's long-term average.

In 2008, approximately three-quarters of the Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food & agri, are impacted by business cycles only in a limited way.

Although Rabobank Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or the Rabobank Group's other major markets could have a material negative impact on its results of operations. See 'Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued pursuant to the Programme – Business and general economic conditions'.

Impact of the financial crisis

Due to the impact of the financial crisis on the market value of various financial assets and the need to recognise financial assets at fair value, the carrying amounts of these assets have been affected. At 31 December 2008, the total negative revaluation of the portfolio of available-for-sale debt instruments amounted to € 407 million after tax and was recognised directly in equity.

In the first quarter of 2008, two Asset Backed Commercial Paper ("ABCP") structures were phased out, in part following the introduction of the new Basel II regulation that became applicable to Rabobank Group as of January 1, 2008. As a consequence, the ABCP outstanding at 31 December 2008 decreased to € 17.5 billion (2007: €23.0 billion), mainly for funding own originated loans and customer loans and receivables. In the fourth quarter of 2008, limited use was made of the Commercial Paper Funding Facility launched by the U.S. Federal Reserve to support the commercial paper market. As at 30 June 2009 ABCP outstanding fell to € 16.0 billion, chiefly as a result of the termination of the Neptune programme.

In the first quarter of 2008, due to the scarcity of funding opportunities for Structured Investment Vehicles ("SIV"), the remaining SIV Tango assets managed by Rabobank were taken onto the balance sheet of the Rabobank Group. As a result of currency exchange rate fluctuations and sales, the valuation of the portfolio of former SIV Tango assets on the Rabobank Group's balance sheet was reduced to € 3.8 billion as at 31 December 2008. Rabobank has no other investments in SIVs.

An important element of the bank's liquidity risk management is to maintain a large portfolio of liquid and/or central bank eligible assets that can be used, if necessary, to generate liquidity quickly. Rabobank Group's trade and investment portfolios have a limited direct exposure to more structured investments, which amounts to € 9 billion on 31 December 2008 and € 8.7 billion on 30 June 2009, by far the largest part of which is Triple A rated. Due to the further deterioration of the U.S. housing market, related investments such as Residential Mortgage Backed Securities and Collateralised Debt Obligations, have been impaired and the resulting loss charged to profit. For the year ended 31 December 2008 this amounted to a post-tax loss of € 418 million. An

additional provision of € 152 million after tax was made for a liquidity facility granted by Rabobank which was partly secured on subprime-related assets. Owing to the further deterioration of the US housing market as well as the corporate market in that country in 2009, a number of related exposures, such as residential mortgage backed securities and collateralised debt obligations, have been impaired and the resulting loss is charged to profit. In the first half of 2009 the amount involved was € 74 million after taxation.

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. The impact of the ongoing deterioration of the U.S. mortgage market undermined the creditworthiness of monoline insurers in 2008, which adversely affected the rating of these institutions. Counterparty risk relating to these monoline insurers arises because the value of the credit default swaps with these counterparties increases, due to the fair value of the underlying investments decreasing, or because other insured investments can lead to payment claims against these insurers. In 2008, value adjustments amounting to € 393 million were recognised in profit and loss. A provision of € 260 million after tax has been made in respect of counterparty risk. At 31 December 2008, the remaining counterparty risk after value adjustments for the Rabobank Group amounted to € 1,729 million. In the first half of 2009, the net effect of the portfolio being scaled down, on the one hand, and the formation of an additional provision on the other, which had an impact on earnings of € 179 million after taxation, is that the total provision fell to € 1,034 million. The remaining counterparty risk as at 30 June 2009 amounted to € 737 million.

See also Note 4.10 to the consolidated financial statements of the Rabobank Group for the year ended 31 December 2008 for a discussion of the impact of the financial crisis on Rabobank.

Stock market fluctuations

Following a broad-based increase in global stock markets between 2002 and 2007, equity markets have been adversely affected since the outbreak of the financial crisis in the second half of 2007. Stock prices dropped significantly in 2008 and in the first quarter of 2009. As share prices picked up from the second quarter of 2009, stock exchanges globally recovered slightly in the first half of 2009. Uncertainty among investors and market volatility remain high. A further decline in the stock markets could adversely affect the Rabobank Group's results of operations and its financial assets.

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect the Rabobank Group's results. For example, the relatively low interest rate risk environment in the Netherlands and the Rabobank Group's other major markets has driven growth in mortgage volumes, which is positive. However, a low interest rate environment also adversely affected the Rabobank Group's results, due to the structure of its balance sheet, Rabobank has a high level of non- and low-interest bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen.

As discussed under "Risk Management - Interest rate risk", the Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

Critical accounting policies

The accounting policies that are most critical to the Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Management to make complex judgements based on information and financial data that may change in future periods, the results of which can have a significant effect on Rabobank Group's results of operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgements as to future events and are subject to change. Different assumptions or judgements could lead to materially different results. See the footnotes to the audited consolidated financial statements incorporated by reference in this Prospectus for additional discussion of the application of the Rabobank Group's accounting policies.

Value adjustments

Management regularly assesses the adequacy of the provision for loan losses, by performing ongoing evaluations of the loan portfolio. Rabobank's policies and procedures to measure impairment are IFRS compliant. Rabobank considers a loan to be impaired when based on current information and events, it is probable that Rabobank will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

Rabobank distinguishes:

- Specific provisions for impaired corporate loans. For these loans, impairment is measured on a case-by-case basis. Once a loan is identified as impaired, the impairment amount is measured as the difference between the carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.
- Collective retail provisions for loans that are not significant enough to be assessed individually. Retail portfolios of loans that are not individually assessed for impairment are grouped into pools, based on similar risk characteristics and are collectively assessed for impairment.
- An Incurred But Not Reported ("IBNR") provision for losses on loans that have been incurred but have not yet been individually identified at the balance sheet date. Non-impaired loans are included in groups with similar risk characteristics and are collectively assessed for the potential losses, based on expected loss parameters. Furthermore, a factor is used which assumes that within six months impairment will be discovered.

The impairment amount thus determined is recorded in the profit and loss account as a bad debt cost with the corresponding credit posted as a provision against the loan balance in the balance sheet.

A Provisioning Committee headed by a member of the Executive Board decides twice a year on provision-taking for all impaired loans above a certain threshold (currently over € 30 million).

Trading activities

Rabobank's trading portfolio is carried at fair value based on market prices or model prices if the market prices are not available. The market value of financial instruments in the Rabobank Group's trading portfolio is generally based on listed market prices or broker-dealer price quotations. If prices are not readily determinable, fair value is based on valuation models. The fair value of certain financial instruments, including OTC derivative instruments, are valued using valuations models that consider, among other factors, contractual and market prices, correlations, time value, credit, yield curve volatility factors and/or prepayment rates of the underlying positions.

Change in accounting policies

As a result of changes in accounting policies and presentation, certain figures for the Rabobank Group as at and for the year ended 31 December 2007 in this Prospectus have been restated. See 'Important Information – Presentation of financial information – Change in accounting policies' and Note 2 to the consolidated financial statements for the Rabobank Group for the year ended 31 December 2008. Where the year ended 31 December 2008 is compared with the year ended 31 December 2007, the restated figures for 2007 are discussed. Where the year ended 31 December 2007 is compared with the year ended 31 December 2006, the figures for 2007 have not been restated.

Results of operations

The following table sets forth certain summarised financial information for the Rabobank Group for the years indicated:

	Year ended December 31,			
		2007		
<i>(in millions of euro)</i>	2008	(restated)	2007	2006
Interest	8,517	6,771	6,771	6,472
Fees and commission.....	2,889	2,857	2,857	2,296
Other income.....	246	1,394	1,871	1,281
Total income	11,652	11,022	11,499	10,049
Staff costs.....	4,290	4,400	4,445	4,117
Other administrative expenses	2,796	2,779	2,846	2,429
Depreciation.....	525	484	418	341
Operating expenses	7,611	7,663	7,709	6,887
Gross profit.....	4,041	3,359	3,790	3,162
Value adjustments	1,189	266	742	450
Operating profit before taxation	2,852	3,093	3,048	2,712
Taxation	98	397	386	367
Net profit.....	2,754	2,696	2,662	2,345

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income grew by 6% in 2008 to € 11,652 million compared to € 11,022 million in 2007, with a particularly strong contribution from interest income. Interest income accounted for 73% of total income in 2008. Other income fell by 82% to € 246 million (2007: €1,394 million).

Interest. Interest income was 26% higher in 2008, at € 8,517 million compared to € 6,771 million in 2007. This increase was mainly due to Rabobank International's interest income being higher as a result of growth in lending and higher spreads.

Fees and commission. Fees and commission were 1% higher, at € 2,889 million compared to € 2,857 million in 2007.

Other income. Other income was 82% lower, at € 246 million compared to € 1,394 million in 2007. The continuing adverse conditions in the financial markets depressed Rabobank International's results. On a net basis, the fair value changes of assets and liabilities had a limited impact on earnings. Rabo Real Estate Group's project results were also lower. Income from the Eureko participation was negative. The sale of Alex

and the consolidation of Bank BGZ made positive contributions to earnings. In 2007, other income benefited from revenues from the sale of activities at Sarasin.

Operating expenses. Total operating expenses decreased by 1% in 2008 to € 7,611 million compared to € 7,663 million in 2007. Staff costs accounted for 56% of total operating expenses.

Staff costs. Partly as a result of a reduction of the bonuses, staff costs were 3% lower, at € 4,290 million compared to € 4,400 million in 2007. From 2008, Bank BGZ employees are included in Rabobank Group's staff count. As a result, staff numbers at Rabobank Group increased by 11% to 60,568 (2007: 54,737) full-time employees. Staff numbers at the local Rabobanks and Robeco declined.

Other administrative expenses. Other administrative expenses were 1% higher, at € 2,796 million compared to € 2,779 million in 2007.

Depreciation. Depreciation charges were 8% higher, at € 525 million compared to € 484 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

Value adjustments. Mainly as a result of the increase in the item "value adjustments" at Rabobank International, this item rose to € 1,189 million compared to € 266 million in 2007. This corresponds to 31 basis points of average lending and is higher than the 10-year average of 21 basis points (based on the period 1998 to 2007).

Taxation. Income tax recognised in 2008 amounted to € 98 million compared to € 397 million in 2007, which is equivalent to an effective tax rate of 3.4% (2007: 12.8%). The results from equity investments such as those in the Gilde funds and the equity investments in Rabo Private Equity, which are exempt from taxation, contributed to the lower effective tax rate.

Net profit. Rabobank Group's net profit grew by 2% in 2008 to € 2,754 million compared to € 2,696 million in 2007. After deduction for minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the amount remaining was € 2,089 million compared to € 1,971 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income grew by 14% in 2007 to € 11,499 million compared to € 10,049 million in 2006, with a particularly strong contribution from commission and other income. Interest accounted for 59% of total income in 2007.

Interest. Interest income was 5% higher, at € 6,771 million compared to € 6,472 million in 2006. Due to higher interest rates, fewer clients settled their mortgage loans prematurely. Income from penalty interest declined. The margin in domestic retail banking declined as a result of the continued competition in the mortgages market. The margin in the leasing activities declined likewise. The growth in lending offset the effects of the lower penalty interest income and the lower interest margin.

Fees and commission. Total fees and commission were 24% higher, at € 2,857 million compared to € 2,296 million in 2006. The increase in asset management commission was largely due to the fact that Sarasin was consolidated as of the end of 2006. Further, the investment performance of the Transtrend Diversified Trend Program and the expansion of the interest in Transtrend contributed to the higher commission income.

Other income. Other income was 46% higher, at € 1,871 million compared to € 1,281 million in 2006, with a strong contribution from the parts of Bouwfonds which had been acquired in December 2006. The acquisition of Athlon in the second half of 2006 and the sale of activities at Sarasin contributed to the increase in other income. Income from the Eureko participation, which is included in other income, was lower.

Operating expenses. Total operating expenses increased by 12% in 2007 to € 7,709 million compared to € 6,887 million in 2006. Staff costs accounted for 58% of total expenses.

Staff costs. The higher staffing level caused staff costs to go up by 8% to € 4,445 million compared to € 4,117 million in 2006. In 2007, several acquisitions resulted in an increase in staff numbers by approximately 2,800 full-time employees. Rabobank Group's total number of employees grew by 8% in 2007 to 54,737 (2006: 50,573) full-time employees.

Other administrative expenses. The growth in activities, both organic and due to acquisitions, caused a 17% increase to € 2,846 million in other administrative expenses compared to € 2,429 million in 2006.

Depreciation. Depreciation charges were 23% higher, at € 418 million compared to € 341 million in 2006, mainly because of higher depreciation on buildings and proprietary software.

Value adjustments. Value adjustments, which comprise bad debt costs and losses incurred on financial assets, increased by 65% in 2007 to € 742 million compared to € 450 million in 2006. The increase is due to higher-value adjustments on the item available-for-sale financial assets. This corresponds to 22 basis points of average lending (2006: 15), which is in line with the five-year average (based on the period 2002 to 2006) of 23 basis points.

Taxation. Taxation recognised in 2007 amounted to € 386 million compared to € 367 million in 2006. This is equivalent to an effective tax rate of 12.7% (2006: 13.5%). One of the contributors to the lower effective tax rate was the reduction in the Dutch corporate tax rate. In addition, profits from participations and associations, which are exempt from taxation, contributed to the lower effective tax rate.

Net profit. Rabobank Group's net profit grew by 14% in 2007 to € 2,662 million compared to € 2,345 million in 2006. After deduction of the portion attributable to minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the sum remaining was € 1,937 million compared to € 1,757 million in 2006.

Segment discussion*

Domestic retail banking

The following table sets forth certain summarised financial information for the Rabobank Group's domestic retail banking business for the years indicated:

	Year ended December 31,			
		2007 (restated)	2007	2006
<i>(in millions of euro)</i>	2008			
Interest	5,005	4,504	4,391	4,226
Fees and commission.....	1,354	1,379	1,379	1,259
Other income.....	42	25	25	66
Total income	6,401	5,908	5,795	5,551
Staff costs.....	2,264	2,072	2,072	2,118
Other administrative expenses	1,639	1,618	1,618	1,607
Depreciation.....	141	145	145	152
Operating expenses.....	4,044	3,835	3,835	3,877
Gross profit.....	2,357	2,073	1,960	1,674
Value adjustments	199	145	145	139

Operating profit before taxation	2,158	1,928	1,815	1,535
Taxation	541	495	466	444
Net profit	1,617	1,433	1,349	1,091

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income was 8% higher, at € 6,401 million compared to € 5,908 million in 2007, mainly due to growth in interest income.

Interest. The rise in lending and funding through the amounts due to customers resulted in an 11% increase in interest income, to € 5,005 million compared to € 4,504 million in 2007. The spreads on lending were higher because of higher risk costs and higher funding costs, whereas the spreads on amounts due to customers were depressed by stronger competition in the savings market.

Fees and commission. Securities commission income was slightly lower reflecting continued adverse stock market conditions. Insurance commission income was likewise lower than in 2007. Commission income from treasury services and payment services was higher. Total commission income for 2008 showed a net decrease of 2%, to € 1,354 million compared to € 1,379 million in 2007.

Other income. Other income increased by € 17 million to € 42 million compared to € 25 million in 2007.

Operating expenses. Total operating expenses were 5% higher in 2008, at € 4,044 million compared to € 3,835 million in 2007.

Staff costs. Staff costs were 9% higher in 2008, at € 2,264 million compared to € 2,072 million in 2007, as a result of higher cost of contractors, salary increases and higher social insurance contributions. Staffing level in the domestic retail banking business declined by 1% to 28,953 (2007: 29,304) full-time employees.

Other administrative expenses. Other administrative expenses were 1% higher, at € 1,639 million compared to € 1,618 million in 2007.

Depreciation. Depreciation decreased by € 4 million to € 141 million compared to € 145 million in 2007, mainly due to lower depreciation on property and equipment.

Value adjustments. The item “value adjustments” increased by 37% in 2008 to € 199 million compared to € 145 million in 2007. Due to the deteriorating economic conditions, loan losses were higher, particularly in the corporate loan portfolio. As a result, the bad debt costs were 8 (2007: 6) basis points of average lending, against the 10-year average of 11 basis points.

Taxation. Taxation increased in 2008 by € 46 million to € 541 million compared to € 495 million in 2007.

Net profit. Net profit increased by 13% to € 1,617 million compared to € 1,433 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income was 4% higher, at € 5,795 million compared to € 5,551 million in 2006, mainly due to growth in interest income.

Interest. Despite competition in the mortgages market and lower income from penalty interest, interest income in 2007 was 4% higher, at € 4,391 million compared to € 4,226 million in 2006. The increases in both lending and savings offset the effects of lower mortgage margins and lower penalty interest income.

Fees and commission. Commission income from payment transactions and other financial services were major factors in the 10% rise in fees and commission income to € 1,379 million, compared to € 1,259 million in 2006. Commission income from insurance activities was 1% lower, at € 376 million compared to € 379 million in 2006.

Other income. Other income decreased by € 41 million to € 25 million compared to € 66 million in 2006. The decrease was mainly due to lower income from associates.

Operating expenses. Total operating expenses were 1% lower in 2007, at € 3,835 million compared to € 3,877 million in 2006.

Staff costs. The staffing level declined by 71 full-time employees to 29,304 full-time employees. Accordingly, staff costs were 2% lower, at € 2,072 million compared to € 2,118 million in 2006.

Other administrative expenses. Other administrative expenses were 1% higher, at € 1,618 million compared to € 1,607 million in 2006, partly as a result of higher training costs and higher marketing expenses.

Depreciation. Depreciation decreased by € 7 million to € 145 million compared to € 152 million in 2006, mainly due to lower depreciation on property and equipment.

Value adjustments. The increase in the item value adjustments was broadly in line with the growth in lending. Value adjustments rose by 4% to € 145 million in 2007 compared to € 139 million in 2006. This corresponds to 6 basis points of average lending and is lower than the five-year average of 12 basis points.

Taxation. Taxation increased in 2007 by € 22 million to € 466 million compared to € 444 million in 2006. The lower effective tax rate is the result of the reduction in the Dutch corporate tax rate from 29.6% to 25.5%.

Net profit. Net profit increased by 24% to € 1,349 million compared to € 1,091 million in 2006.

Wholesale and international retail banking

The following table sets forth certain summarised financial information for the Rabobank Group's wholesale and international retail banking business for the years indicated:

<i>(in millions of euro)</i>	Year ended December 31,			
	2008	2007 (restated)	2007	2006
Interest	3,156	1,832	1,832	1,649
Fees and commission.....	304	332	394	372
Other income.....	(1,463)	(175)	320	601
Total income	1,997	1,989	2,546	2,622
Staff costs.....	909	890	890	867
Other administrative expenses	715	772	772	668
Depreciation.....	84	53	53	51
Operating expenses	1,708	1,715	1,715	1,586
Gross profit.....	289	274	831	1,036
Value adjustments	786	16	493	234
Operating profit before taxation	(497)	258	338	802
Taxation	(524)	(76)	(56)	115

Net profit.....	27	334	394	687
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Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income was stable in 2008, at € 1,997 million compared to € 1,989 million in 2007. Although some units within Global Financial Markets performed well in the turbulent financial markets, income from this business entity decreased by € 413 million to negative €145 million compared to € 268 million in 2007. The item “other income”, which largely includes income from Global Financial Markets, fell by € 1,288 million to negative €1,463 million compared to negative € 175 million in 2007. Structured Finance saw a 37% rise in income. Commission income was 8% lower, at € 304 million compared to € 332 million in 2007, partly as a result of lower commission income from securities brokerage. The increase in spreads, the growth in lending in the international retail banking business, and the increased activities in Corporate Banking all contributed to the 72% rise in interest income, to € 3,156 million compared to € 1,832 million in 2007.

Income from Corporate Banking was 15% higher. Of total income, 43% (2007: 32%) is from international retail banking. Income from international retail banking increased by 34% to € 864 million compared to € 646 million in 2007, partly as a result of the consolidation of Bank BGZ. As a result of worsened economic conditions in Ireland, ACCBank’s income was lower.

Interest. Interest increased by 72% to € 3,156 million compared to € 1,832 million in 2007 mainly due to the growth in lending in the international retail banking business and Corporate Banking activities and the increased spreads.

Fees and commission. Fees and commission income decreased by 8% to € 304 million compared to € 332 million in 2007 due to lower commission with respect to securities transactions.

Other income. Other income fell by € 1,288 million to negative €1,463 million compared to negative €175 million in 2007. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this, trading income was lower at Global Financial Markets.

Operating expenses. In 2008, total operating expenses were virtually unchanged from 2007, at € 1,708 million compared to € 1,715 million in 2007.

Staff costs. Almost all of the growth in staff numbers is due to the consolidation of Bank BGZ. The number of staff rose by 53% to 15,223 (2007: 9,957) full-time employees. Partly as a result of a reduction of the bonuses however, staff costs increased by only 2%, to € 909 million compared to € 890 million in 2007.

Other administrative expenses. Other administrative expenses decreased by 7% to € 715 million compared to € 772 million in 2007 mainly due to the decrease in non-banking charges as a result of the sale of a few equity investments.

Depreciation. Depreciation and amortisation charges were 58% higher, at € 84 million compared to € 53 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

Value adjustments. Although Rabobank International was not directly affected by the failure of certain United States banks in 2008, these events do reflect the current unfavourable macroeconomic conditions. The Irish real estate sector was particularly affected in 2008. The financing provided by Rabobank International to this sector had a major impact on bad debt costs. The item “value adjustments” rose by € 770 million to € 786 million compared to € 16 million in 2007. This corresponds to 93 (2007: 2) basis points of average lending, which is higher than the 10-year average of 47 basis points.

Taxation. Taxation decreased by € 448 million to negative € 524 million compared to negative € 76 million in 2007. The loss at Global Financial Markets and the higher income from Participations, the latter being largely tax-exempt because of participation exemption, contributed to the decline in taxation.

Net profit. Net profit decreased by € 307 million to € 27 million compared to € 334 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income declined by 3% in 2007 to € 2,546 million compared to € 2,622 million in 2006. Although some units within Global Financial Markets benefited from the turbulence in the financial markets, income at Global Financial Markets fell by € 497 million to € 268 million. At the same time, Participations had a strong year. Income at Global Financial Markets is largely recognised in other income. As a result, other income was 47% lower, at € 320 million (2006: € 601 million). Like many others, Leveraged Finance and Structured Finance were hindered by the subprime crisis in the American mortgages market. Income from Leveraged Finance was 7% lower and income from Structured Finance was 5% lower.

Income from Corporate Banking activities was 11% higher. Of total income, 24% (2006: 19%) was from the international retail banking business. Income from retail banking activities was 23% higher, at € 624 million (2006: € 506 million). ACCBank's income showed a marginal increase, which was in line with the slight growth in lending. Income from the retail banks in other regions rose as a result of both organic growth and acquisitions.

Interest. Interest increased by 11% to € 1,832 million compared to € 1,649 million in 2006 mainly due to the growth in lending in the international retail banking business and Corporate Banking activities.

Fees and commission. Fees and commission income increased by 6% to € 394 million compared to € 372 million in 2006 due to higher commission with respect to lending and securities transactions.

Other income. Other income decreased by 47% to € 320 million compared to € 601 million in 2006. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this trading income was lower at Global Financial Markets.

Operating expenses. Operating expenses increased by 8% to € 1,715 million compared to € 1,586 million in 2006.

Staff costs. Staff costs increased by 3% to € 890 million compared to € 867 million in 2006 due to the increase of the number of full-time employees.

Other administrative expenses. Other administrative expenses increased by 16% to € 772 million compared to € 668 million in 2006 mainly due to the expansion of activities.

Depreciation. Depreciation increased in 2007 by € 2 million to € 53 million compared to € 51 million in 2006.

Value adjustments. As a result of the credit market crisis, the item value adjustments increased to € 493 million in 2007 compared to € 234 million in 2006. This corresponds to 63 (2006: 39) basis points of average lending and is higher than the five-year average of 46 basis points.

Taxation. Taxation decreased with € 171 million to negative € 56 million compared to € 115 million in 2006. The lower result from Global Financial Markets and the higher income from Participations, the latter being largely tax-exempt because of participation exemption, contributed to the decline in taxation.

Net profit. Net profit decreased by € 293 million to € 394 million compared to € 687 million in 2006.

Asset management and investment

The following table sets forth certain summarised financial information for the Rabobank Group's asset management and investment business for the years indicated:

Year ended December 31,				
		2007*		
(in millions of euro)	2008	(restated)	2007	2006
Interest	144	82	82	86
Fees and commission.....	1,084	1,089	1,089	648
Other income.....	390	308	308	102
Total income.....	1,618	1,479	1,479	836
Staff costs.....	559	581	581	330
Other administrative expenses	352	320	386	210
Depreciation.....	102	90	24	11
Operating expenses.....	1,013	991	991	551
Gross profit.....	605	488	488	285
Value adjustments.....	42	1	1	0
Operating profit before taxation	563	487	487	285
Taxation	125	125	125	62
Net profit.....	438	362	362	223

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income increased by 9% to € 1,618 million compared to € 1,479 million in 2007. The gain was primarily due to the sale of Alex and the Transtrend Diversified Trend Program's strong investment performance.

Interest. Mainly due to the increase of interest income at Robeco, interest income was 76% higher, at € 144 million compared to € 82 million in 2007.

Fees and commission. The decrease in assets under management had a negative impact on the asset management fees. This decrease was, however, offset by the Transtrend Diversified Trend Program's strong investment results. Since Alex has ceased to be consolidated as from 2008, income from securities brokerage decreased sharply. In net terms, commission income was virtually unchanged at € 1,084 million compared to € 1,089 million in 2007.

Other income. Other income was 27% higher, at € 390 million compared to € 308 million in 2007, due, in part, to the gain from the sale of Alex. In 2007, the main drivers of other income were gains from Sarasin's disposal of its Luxembourg activities and income from its brokerage business.

Operating expenses. Total operating expenses increased by 2% in 2008 to € 1,013 million compared to € 991 million in 2007, mainly due to the expansion of Sarasin's activities.

Staff costs. The sale of Alex and staff redundancies at Robeco caused a decrease in staff numbers. Due, however, to the expansion of Sarasin's activities, the total staffing level rose by 4% to 3,620 (2007: 3,468) full-time employees. Staff costs were 4% lower, at € 559 million compared to € 581 million in 2007, as a result of a reorganisation at Robeco and decreased bonuses.

Other administrative expenses. Other administrative expenses rose by 10% to € 352 million compared to € 320 million in 2007, as a result of the expansion of activities at Sarasin.

Depreciation. Due in part to higher depreciation on intangible assets, depreciation and amortisation charges were 13% higher, at € 102 million compared to € 90 million in 2007.

Value adjustments. The adverse conditions in the financial markets resulted in a number of write-offs on financial institutions by Sarasin. As a result, the item “value adjustments” increased by € 41 million to € 42 million compared to € 1 million in 2007.

Taxation. Taxation was stable in 2008, at € 125 million in each of 2007 and 2008.

Net profit. Net profit increased by 21% to € 438 million compared to € 362 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income increased by 77% to € 1,479 million compared to € 836 million in 2006. Increases in both commission and other income were important drivers for the growth.

Interest. Interest decreased by € 4 million to € 82 million compared to € 86 million in 2006.

Fees and commission. Fees and commission income increased by € 441 million to € 1,089 million compared to € 648 million in 2006. The increase in commission income was largely due to Sarasin’s full consolidation as from year-end 2006. The strong investment performance of the Transtrend Diversified Trend Program and the expansion of the Rabobank Group’s interest in Transtrend also contributed to the increase in commission income.

Other income. Other income increased by € 206 million to € 308 million compared to € 102 million in 2006. The gains from the sale at Sarasin of both its Luxembourg and its brokerage activities were important drivers for this increase.

Operating expenses. Total operating expenses were 80% higher in 2007, at € 991 million compared to € 551 million in 2006. The increase was largely the result of the consolidation of Sarasin.

Staff costs. Staff costs increased by € 251 million to € 581 million compared to € 330 million in 2006, mainly due to the consolidation of Sarasin at the end of 2006.

Other administrative expenses. Other administrative expenses were € 176 million higher at € 386 million compared to € 210 million in 2006. The increase was also mainly due to the consolidation of Sarasin.

Depreciation. Depreciation increased by € 13 million to € 24 million compared to € 11 million in 2006. Besides the consolidation of Sarasin, the increase was also the result of higher depreciation on software.

Taxation. Taxation increased by € 63 million to € 125 million compared to € 62 million in 2006.

Net profit. Net profit increased by 62% to € 362 million compared to € 223 million in 2006.

Leasing

The following table sets forth certain summarised financial information for the Rabobank Group’s leasing business for the years indicated:

Year ended December 31,				
		2007		
(in millions of euro)	2008	(restated)	2007	2006
Interest	530	518	518	507
Fees and commission.....	61	52	52	49
Other income.....	424	425	425	286
Total income.....	1,015	995	995	842
Staff costs.....	377	369	369	305
Other administrative expenses	188	193	193	168
Depreciation.....	31	32	32	21
Operating expenses.....	596	594	594	494
Gross profit.....	419	401	401	348
Value adjustments.....	118	100	100	77
Operating profit before taxation	301	301	301	271
Taxation	66	67	67	65
Net profit.....	235	234	234	206

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income increased by 2% to € 1,015 million compared to € 995 million in 2007. Although the spreads on new contracts improved, the spreads for the portfolio as a whole were lower due to increased funding costs.

Interest. Interest income rose by 2% to € 530 million compared to € 518 million in 2007 as a result of growth of the loan portfolio.

Fees and commission. Commission income was 17% higher, at € 61 million compared to € 52 million in 2007, due to higher brokerage commission income.

Other income. The greater part of income from car-leasing activities is recognised under other income. Other income remained stable, at € 424 million compared to € 425 million in 2007.

Operating expenses. Total operating expenses were stable in 2008, at € 596 million compared to € 594 million in 2007.

Staff costs. Increased activities resulted in a 6% rise in staff numbers, to 4,667 (2007: 4,411) full-time employees. This contributed to the 2% rise in staff costs to € 377 million compared to € 369 million in 2007.

Other administrative expenses. Other administrative expenses decreased by 3% to € 188 million compared to € 193 million in 2007, mainly as a result of lower marketing and automation costs.

Depreciation. Depreciation was stable in 2008, at € 31 million compared to € 32 million in 2007.

Value adjustments. The growth in the loan portfolio and the worsened economic situation caused an 18% increase in the item “value adjustments” in 2008, to € 118 million compared to € 100 million in 2007. In terms of basis points of the average loan portfolio, the bad debt costs were 64 (2007: 61) basis points. The bad debt costs exceeded the level of 2007 and were lower than the 10 year average of 66 basis points.

Taxation. Taxation in 2008 decreased by € 1 million to € 66 million compared to € 67 million to 2007.

Net profit. Net profit was virtually stable in 2008, at € 235 million compared to € 234 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income increased by 18% to € 995 million compared to € 842 million in 2006. The increase was mainly due to the growth of the item other income, which includes the car-leasing activities of the acquisition of Athlon.

Interest. Interest increased by 2% to € 518 million compared to € 507 million in 2006, mainly due to the increase of the lending portfolio despite downward pressures on margins.

Fees and commission. Fees and commission income increased in 2007 by € 3 million to € 52 million compared to € 49 million in 2006.

Other income. The continued growth of the car-leasing activities was an important driver for the 49% growth in other income to € 425 million compared to € 286 million in 2006.

Operating expenses. Total operating expenses were 20% higher in 2007, at € 594 million compared to € 494 million in 2006.

Staff costs. The greater part of the 21% increase in staff costs to € 369 million compared to € 305 million in 2006 was the result of the acquisition of Athlon. Staff levels grew by 7% in 2007 to 4,411 (2006: 4,128) full-time employees as a result of organic growth of the activities.

Other administrative expenses. Other administrative expenses were 15% higher, at € 193 million compared to € 168 million in 2006. The rise is due to the acquisition of Athlon and autonomous growth.

Depreciation. Depreciation was € 11 million higher at € 32 million compared with € 21 million in 2006.

Value adjustments. The item value adjustments increased to € 100 million in 2007 compared to € 77 million in 2006. This was associated with the growth of the lease portfolio and the greater portfolio share of consumer credits. This corresponds to 61 (2006: 53) basis points and is below the five-year average of 69 basis points.

Taxation. Taxation in 2007 increased by € 2 million to € 67 million compared to € 65 million to 2006. The increase was due to a higher operating profit before taxation and was partly offset by a lower taxation rate in the Netherlands.

Net profit. Net profit was 14% higher at € 234 million compared to € 206 million in 2006.

Real estate

The following table sets forth certain summarised financial information for the Rabobank Group's real estate business for the years indicated:

	Year ended December 31,			
	2007		2007	2006
(in millions of euro)	2008	(restated)		
Interest	85	72	72	98
Fees and commission.....	31	1	1	1
Other income.....	311	573	573	145

	2007			
<i>(in millions of euro)</i>	2008	(restated)	2007	2006
Total income	427	646	646	244
Staff costs.....	220	217	217	55
Other administrative expenses	131	167	167	43
Depreciation.....	43	51	51	3
Operating expenses	394	435	435	101
Gross profit	33	211	211	143
Value adjustments.....	0	2	2	(1)
Operating profit before taxation	33	209	209	144
Taxation	9	55	55	40
Net profit	24	154	154	104

Total income. In 2008, total income fell by 34% to € 427 million compared to € 646 million in 2007.

Fees and commission. Commission income increased by € 30 million to € 31 million compared to € 1 million in 2007, primarily as a result of higher asset management commission income at Bouwfonds REIM.

Operating expenses. Total operating expenses were 9% lower in 2008, at € 394 million compared to € 435 million in 2007.

Other administrative expenses. Other administrative expenses were 22% lower, at € 131 million compared to € 167 million in 2007, mainly due to the decrease in depreciation of intangible assets.

Depreciation. Depreciation decreased in 2008 by € 8 million to € 43 million compared to € 51 million in 2007.

Value adjustments. Value adjustments decreased in 2008 to € 0 million compared to € 2 million in 2007.

Taxation. Taxation decreased in 2008 by € 46 million to € 9 million compared to € 55 million in 2007.

Net profit. Net profit fell by 85% to € 24 million compared to € 154 million in 2007.

Total income. Total income increased by € 402 million in 2007 to € 646 million compared to € 244 million in 2006. The increase is mainly due to the acquisition of parts of Bouwfonds in 2006.

Interest. The decline in interest income by € 26 million to € 72 million compared to € 98 million in 2006 was due to the expansion of the development activities since late 2006, which caused interest expense to increase.

Fees and commission. Fees and commission income was unchanged at € 1 million compared to 2006.

Other income. The former parts of Bouwfonds were the main contributor to the increase over 2007 by € 428 million to € 573 million compared to € 145 million in 2006.

Operating expenses. Total operating expenses were € 334 million higher in 2007, at € 435 million compared to € 101 million in 2006.

Staff costs. Mainly as a result of the acquisition of parts of Bouwfonds, staff costs rose in 2007 by € 162 million to € 217 million compared to € 55 million in 2006.

Other administrative expenses. The other administrative expenses amounted to € 168 million compared to € 43 million in 2006. The increase is mainly due to the acquisition of Bouwfonds and the amortisation of intangible assets.

Depreciation. Depreciation increased by € 48 million to € 51 million in 2007 compared to € 3 million in 2006 due to the acquisition of parts of Bouwfonds.

Value adjustments. The value adjustments amounted to € 2 million compared to negative € 1 million in 2006.

Taxation. Taxation increased in 2007 by € 15 million to € 55 million compared to € 40 million in 2006.

Net profit. Net profit increased by 48% to € 154 million compared to € 104 million in the previous year.

Liquidity and capital resources

The Rabobank Group's total assets were € 615.4 billion at 30 June 2009, a 1% increase from € 612.1 billion at 31 December 2008. The largest proportion of the Rabobank Group's existing lending portfolio (not including investments in Dutch treasury securities, other Dutch public sector bonds and securities and interbank deposit placements) consists of residential mortgage loans, which in the Netherlands are primarily fixed rate.

Loans to customers

Loans to customers increased by 2%, or € 9.5 billion, to € 435.8 billion at 30 June 2009 from € 426.3 billion at 31 December 2008. The recession in the Netherlands has led to slower growth in mortgages and corporate loan portfolios, as a result of which growth in overall lending has gone down. The private sector loan portfolio increased by € 6.6 billion to € 415.2 billion at 30 June 2009, an increase of 2% from € 408.6 billion at 31 December 2008. The increase in private sector loan portfolio for private individuals was € 3.3 billion to € 197.3 billion at 30 June 2009 from € 194.0 billion at 31 December 2008. Virtually all of this part of the portfolio consists of mortgages, the remainder being consumer credits. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have maturities up to 30 years. Lending to companies in the trade, industry and services sector increased by € 1.4 billion to € 147.7 billion at 30 June 2009, a 1% increase compared to 31 December 2008. Lending to the food & agri sector increased by € 2.0 billion to € 70.3 billion at 30 June 2009, a 3% increase.

The following table shows a breakdown of the Rabobank Group's total lending outstanding to the private sector at 31 December 2008 and 31 December 2007, by category of borrower:

At December 31,				
<i>(in millions of euro and as % of total private sector loan portfolio)</i>	2008		2007	
Private individuals	193,958	47%	180,146	50%
Trade, industry and services sector.....	146,336	36%	116,423	33%
Food & agri sector	68,326	17%	59,404	17%
Total	408,620	100%	355,973	100%

The maturities of loans granted by the Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of the Rabobank Group's total loans to customers (public and private sector) and professional securities transactions at 31 December 2008 and 31 December 2007:

At December 31,				
<i>(in millions of euro and as % of loans to customers)</i>	2008		2007	
Less than 1 year.....	70,783	17%	87,150	23%
More than 1 year.....	355,550	83%	285,818	77%
Total	426,283	100%	372,968	100%

Funding

At 31 December 2008, amounts due to customers of the Rabobank Group were € 304.2 billion, an increase of 10% compared to 31 December 2007. The balance held in savings deposits increased by € 13.5 billion to € 114.7 billion, an increase of 13%. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by € 14.1 billion to € 189.5 billion at 31 December 2008, largely due to an increase in current accounts. Current accounts increased by € 14.2 billion to € 73.1 billion. At 31 December 2008, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled € 135.8 billion compared to € 141.8 billion at 31 December 2007. Savings deposits (except fixed-time deposits, from 1 month to 10 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows the Rabobank Group's sources of funding by source at 31 December 2008, 31 December 2007 and 31 December 2006:

Year ended December 31,				
<i>(in millions of euro)</i>	2008	2007* (restated)	2007	2006
Savings accounts	114,680	101,175	101,175	89,500
Other due to customers	189,534	175,435	148,340	145,417
Debt securities in issue	135,779	141,812	141,812	128,066
Other financial liabilities at fair value through profit and loss	24,797	27,303	27,303	26,270
Total	464,790	445,725	418,630	389,253

The Rabobank Group also receives funds from the interbank and institutional market. The Rabobank Group's total due to other banks were € 23.9 billion at 31 December 2008, a 48% decrease from € 46.3 billion at 31 December 2007.

Other financial assets

Other financial assets comprise shares, bonds, money market paper, short-term government paper and other forms of securities. Other financial assets are subdivided into the following categories:

- Trading financial assets;
- Other financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity assets.

Other financial assets at December 31, 2008

<i>(in millions of euro)</i>	Trading	Other at fair value through profit and loss	Available-for- sale	Held-to- maturity	Total
Purchased loans.....	2,639	0	0	0	2,639
Short term government paper	172	13	1,579	0	1,764
Government bonds	2,005	565	17,128	464	20,162
Other bonds.....	4,365	5,287	10,942	33	20,627
Total bonds.....	6,370	5,852	28,070	497	40,789
Venture capital	0	646	0	0	646
Equity instruments.....	2,190	229	994	0	3,413
Total shares	2,190	875	994	0	4,059
Other financial assets.....	205	1,156	1,022	0	2,383
Total	11,576	7,896	31,665	497	51,634
Category 1 ¹	10,670	6,654	30,413	497	48,234
Category 2 ¹	861	869	1,239	0	2,969
Category 3 ¹	45	373	13	0	431

Other financial assets at December 31, 2007

<i>(in millions of euro)</i>	Trading	Other at fair value through profit and loss	Available-for- sale	Held-to- maturity	Total
Purchased loans.....	2,350	0	0	0	2,350
Short term government paper	298	61	682	0	1,041
Government bonds	2,970	514	25,049	736	29,269
Other bonds.....	16,187	8,815	22,552	123	47,677
Total bonds.....	19,157	9,329	47,601	859	76,946
Venture capital	0	314	0	0	314
Equity instruments.....	7,173	6,382	1,279	0	14,834
Total shares	7,173	6,696	1,279	0	15,148

Other financial assets.....	201	2,047	793	0	3,041
Total	29,179	18,133	50,355	859	98,526
Category 1 ¹	24,358	17,476	37,997	859	80,690
Category 2 ¹	4,821	608	12,333	0	17,762
Category 3 ¹	0	49	25	0	74

Note:

- (1) Category 1: quoted market prices in an active market; category 2: valuation methods based on assumptions fully supported by demonstrable market prices or rates in an active market; category 3: valuation methods based on assumptions not or only partly supported by demonstrable market prices or rates in an active market.

Contractual obligations and contingent liabilities*

The table below provides information on the payments coming due under Rabobank Group's existing contractual obligations.

<i>Payments due by period (in millions of euro)</i>	At December 31, 2008						Total
	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No repayment date	
Debt securities in issue	2,892	47,444	24,871	46,994	26,636	0	148,837
Subordinated debt	0	7	2	1,319	1,119	2	2,449
Due to customers.....	193,657	48,539	41,403	9,200	15,187	1,221	309,207
Other financial liabilities at fair value through profit and loss	9	341	3,768	7,443	18,760	23	30,344

Other long-term obligations consist of due to customers other than debt securities (liabilities for deposits and savings, professional securities transactions and other client accounts).

Contingent liabilities relate primarily to transactions in which the Rabobank Group stands surety for commitments of third parties.

<i>(in millions of euro)</i>	At December 31,	
	2008	2007
Guarantees, etc.	9,515	8,992
Irrevocable letters of credit	1,540	2,402
Other contingent liabilities	208	21
Total contingent liabilities	11,263	11,415

Contingent liabilities secured by assets were € 95 million at 31 December 2008 compared to € 28 million at 31 December 2007.

Guarantees relate both to credit and non-credit substitute guarantees. Credit-substitute guarantees are guarantees given by Rabobank Group entities in respect of credit granted to customers by a third party. Many of them are expected to expire without being drawn on and therefore do not necessarily represent future cash outflows.

Irrevocable letters of credit mainly secure payments to a third party for a customer's foreign and domestic trade transactions in order to finance a shipment of goods. The Rabobank Group's credit risk in these

transactions is limited since these transactions are collateralised by the commodity shipped and are of a short duration. Other contingent liabilities mainly relate to acceptances of bills and are of a short-term nature. As described below, facilities mainly constitute unused portions of irrevocable credit facilities granted to corporate clients. Many of these facilities are for a fixed duration and bear interest at a floating rate. Most of the unused portion of irrevocable credit facilities is secured by customers' assets or counter-guarantees by the central government and exempted bodies under the regulatory requirements. Irrevocable facilities also include commitments made to purchase securities to be issued by governments and private issuers.

Irrevocable facilities relate to all irrevocable facilities that could lead to lending.

	At December 31,	
<i>(in millions of euro)</i>	2008	2007
Unused credit facilities	30,878	35,553
Other	510	770
Total irrevocable facilities	31,388	36,323
Revocable credit facilities	44,402	36,432
Total credit-related and contingent liabilities	75,790	72,755

Capital adequacy

Capital adequacy and the use of capital are monitored by the Rabobank Group and its subsidiaries, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practices (the "Basel Committee") and implemented by the EU and the Dutch legislator and the Dutch Central Bank (*De Nederlandsche Bank*, or "DNB") for supervisory purposes.

The DNB, in conjunction with other bank supervisors, regards the risk asset ratio developed by the Basel Committee as a key supervisory tool and sets individual ratio requirements for banks in the Netherlands. This ratio was designed to meet the dual objectives of strengthening the soundness and stability of the international banking system and of creating a fair and consistent supervisory framework for international banks by means of an international convergence of capital measurement and capital standards. The technique involves the application of risk weightings to assets (which for this purpose includes both balance sheet assets and off-balance sheet items) to reflect the credit and other risks associated with broad categories of transactions and counterparties.

The Basel Committee guidelines set a minimum total risk asset ratio for all international banks of 8%. Bank capital adequacy requirements have also been established pursuant to EU directives. These directives, as implemented in the Netherlands, set forth capital standards similar to those of the Basel Committee guidelines.

On January 1, 2008, Rabobank Group adopted the Advanced Internal Rating Based ("AIRB") Approach to the majority of its significant portfolios that contain credit risk in accordance with the approvals granted by the DNB, and various local regulators, as required. However, there remains a small portion of the portfolio that is subject to the Standardised Approach ("SA"). Individually, these portfolios are relatively small or are related to new acquisitions in companies that themselves did not yet follow the AIRB Approach.

In addition, the EU Capital Adequacy Directive ("CAD"), which became effective on January 1, 1996, established minimum capital requirements for banks and investment firms for market risks. The CAD was based on a proposal by the Basel Committee and has now been recast by later EU directives.

The risk asset approach to capital adequacy emphasises the importance of Tier I (core) capital. In determining a bank's risk asset ratio, the rules limit qualifying Tier II supplementary capital to an amount equal to Tier I capital. Tier II capital includes subordinated debt and certain fixed asset revaluation reserves.

The concept of risk weighting assumes that banking activities generally involve some risk of loss. For risk weighting purposes, commercial lendings are taken as a benchmark to which a risk weighting of 100% is ascribed. With the introduction of the Basel II framework the risk weighting is more risk sensitive and based on internal assessments of the creditworthiness of counterparties. In practice, this leads to an exposure-specific risk weighting. Off-balance sheet items are generally converted to credit risk equivalents by applying credit conversion factors. The resulting amounts are then again risk-weighted according to the nature of the counterparty.

In the case of interest and exchange rate-related contracts, the risks involved relate to the potential loss of cash flows rather than notional principal amounts. These risks are represented by the replacement cost (as defined by the DNB) of the contracts plus an add-on to reflect potential future volatility in replacement cost arising from movements in market rates.

For a discussion of the Basel II framework, see 'Regulation of The Rabobank Group'.

The Tier I ratio and the BIS ratio are the most common ratios used in the financial world to measure solvency. The Tier I ratio expresses the relationship between core capital and total risk-weighted assets. At 30 June 2009, Rabobank Group's Tier I ratio stood at 13.0% (2008: 12.7%). The minimum requirement set by the external supervisors is 4%. The high Tier I ratio is one of the reasons for the Rabobank Group's high credit rating.

In the first half of 2009 total risk-weighted assets increased by € 1.6 billion to € 239.7 billion and Tier I capital increased by € 0.8 billion to € 31.2 billion at 30 June 2009. Retained earnings and the issue of Capital Securities contributed to this increase.

The BIS ratio is calculated by dividing the total of Tier I and Tier II capital by the total of risk-weighted assets. At 30 June 2009, the BIS ratio came to 13.5% (2008: 13.0%). This exceeds the minimum requirement set by the external supervisors of 8.0%.

The following table sets forth the risk-weighted capital ratios of the Rabobank Group at 31 December 2008 and 31 December 2007, in each case calculated under the Netherlands' implementation of the relevant EU directives:

Development in capital and solvency ratios

	At June 30,	At December 31,	
<i>(amounts in millions of euro, except percentages)</i>	2009	2008	2007
Tier I capital ¹	31,178	30,358	28,518
Tier I ratio ¹	13.0%	12.7%	10.7%
Qualifying capital ¹	32,273	30,912	29,190
BIS ratio ¹	13.5%	13.0%	10.9%

Note:

- (1) Data for 2007 are based on Basel I requirements and data for 2008 have been based on the Basel II requirements with effect from January 1, 2008.

Selected statistical information*

The following section discusses selected statistical information regarding the Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See 'Results of operations' for an analysis of fluctuations in the Rabobank Group's results between periods.

Return on equity and assets

The following table presents information relating to the Rabobank Group's return on equity and assets for each of the past three years:

	2008	2007	2006
Return on assets ¹	0.47%	0.45%	0.43%
Return on equity ²	8.67%	8.81%	8.57%
Equity to assets ratio ³	5.47	5.20	5.09

Notes:

- (1) Net profit as a percentage of total average assets, based on month-end balances.
- (2) Net profit as a percentage of average equity, based on quarter-end balances.
- (3) Average equity divided by average total assets, based on quarter-end balances.

The following table presents information relating to payments on Rabobank Member Certificates for each of the past five years:

<i>(amounts in millions of euro, except percentages)</i>	2008	2007	2006	2005	2004
Outstanding Rabobank Member Certificates ¹	6,180	5,948	5,812	4,311	3,854
Payments	316	299	277	211	217
Average yield	5.11%	5.03%	4.77%	4.89%	5.23%

Note:

- (1) Average Outstanding Rabobank Member Certificates based on month-end balances.

Loan portfolio

The Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses the Rabobank Group's loan portfolio by sector at 31 December 2008, 31 December 2007 and 31 December 2006:

	At December 31,		
<i>(in millions of euro)</i>	2008	2007	2006
Public sector	8,848	5,095	3,093
Private sector (corporate lending)	217,521	177,863	160,019

Private sector (personal lending)	194,229	180,392	166,340
Total loans (gross) excluding securities transactions	420,598	363,350	329,452
Securities transactions	3,812	14,422	28,396
Hedge accounting	5,003	(2,522)	(675)
Total loans (gross) including securities transactions	429,413	375,250	357,173
Total loans (net)¹	426,283	372,968	354,924

Note:

(1) The difference between total loans (gross) and total loans (net) represents provisions for loan losses.

The table below sets forth a geographic breakdown of the Rabobank Group's loan portfolio at 31 December 2008, 31 December 2007 and 31 December 2006:

At December 31,			
<i>(in millions of euro)</i>	2008	2007	2006
The Netherlands	1,196	493	480
Other countries in the EU zone	2,654	296	270
North America	498	163	131
Latin America	781	39	48
Asia	3,668	4,079	2,134
Australia	4	3	5
Other countries	47	22	25
Total public sector	8,848	5,095	3,093
The Netherlands	298,172	269,964	243,833
Other countries in the EU zone	43,228	31,122	31,784
North America	40,415	30,207	28,707
Latin America	7,372	6,604	4,159
Asia	5,803	4,872	3,863
Australia	12,830	12,370	10,938
Other countries	800	834	826
Total private sector¹	408,620	355,973	324,110

Note:

(1) After provisions for loan losses.

Maturities and interest rate sensitivity of loan portfolio
Domestic retail - interest rate risk position, at December 31, 2008

<i>(in millions of euro)</i>	On demand	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	2 to 5 years	5 to 10 years	More than 10 years	Non-rate sensitive	Total
Assets on balance	21,887	59,760	11,565	8,226	8,591	85,348	56,552	28,661	3,397	283,988
Liabilities on balance	13,813	130,230	20,321	10,337	16,510	39,415	4,160	4,963	44,173	283,921
Gap on balance	8,074	(70,470)	(8,757)	(2,110)	(7,918)	45,934	52,392	23,698	(40,775)	67

Assets off balance	73,700	21,110	41	316	8,487	(14,221)	22,490	111,923					
Liabilities off balance	14,972	7,943	2,018	1,529	35,899	29,144		20,486	111,989					
Gap after off balance	8,074	(11,743)	4,411	(4,087)	(9,131)	18,522	9,027	25,702	(40,775)	0

The three key indicators used for managing the interest rate risk are the Basis Point Value, the Equity at Risk and the Income at Risk.

The Basis Point Value ("BPV") is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2008, the BPV did not exceed € 25 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of the Rabobank Group equity's market value to interest rate fluctuations. A 200 basis point overnight parallel shock of the curve will result in an 11% drop in market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the maximum amount of interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease with a maximum of 200 basis points over a one-year period, the interest income would decrease by € 54 million.

Risk elements*

Cross-border outstandings

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At 31 December 2008, there were no cross-border outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings as at the end of each of the last three years, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1% of total assets, by type of borrower:

(in millions of euro)

	Banks	Public authorities	Private sector	Total
At December 31, 2008				
France	2,856	1,595	4,5	8,951
Germany	4,624	3,919	6,825	15,368
Ireland	925	561	9,273	10,759
United Kingdom	11,857	2,566	9,276	23,699
Poland	161	1,438	5,048	6,647
United States	5,796	8,225	51,169	65,190
Japan	914	6,664	205	7,783
Australia	1,427	1,164	9,36	11,951
At December 31, 2007				
France	2,382	1,402	3,437	7,221
Belgium	2,766	1,005	2,311	6,082

(in millions of euro)

	Banks	Public authorities	Private sector	Total
Germany	5,640	3,428	6,579	15,647
Ireland	1,797	413	10,205	12,415
United Kingdom	18,042	102	13,492	31,636
Switzerland	4,686	220	1,924	6,830
United States	6,634	9,787	67,848	84,269
Spain	2,610	1,048	3,007	6,665
Japan	4,838	8,371	435	13,644
Australia	960	895	10,747	12,602

At December 31, 2006

France	3,964	1,208	6,486	11,658
Germany	6,868	4,319	6,271	17,458
Ireland	2,410	359	9,965	12,734
United Kingdom	24,617	64	20,365	45,046
United States	11,351	9,156	83,538	104,044
Spain	3,066	1,474	2,024	6,564
Japan	4,708	9,290	830	14,828
Australia	1,306	881	9,014	11,201

Loan portfolio

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. In 2005, North America Industry Classification System (“NAICS”) was introduced as the leading system to classify industries for Rabobank Group. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 31 December 2008:

At December 31, 2008

<i>(in millions of euro)</i>	On balance	Off balance	Total
Oilseed and grain	8,981	428	9,409
Fruit and vegetables	8,283	97	8,380
Sugar	1,874	85	1,959
Animal protein	12,792	188	12,980
Dairy	11,692	165	11,858
Farm inputs	4,637	197	4,834
Beverages	3,046	74	3,120
Food retail and food services and drinking places	4,669	216	4,885
Other food & agri	12,351	132	12,483

At December 31, 2008

<i>(in millions of euro)</i>	On balance	Off balance	Total
Total food & agri	68,326	1,581	69,907
Utilities	1,261	200	1,461
Construction.....	9,231	1,612	10,843
Manufacturing: textile, apparel and leather	325	9	334
Manufacturing: wood products and furniture.....	602	8	610
Manufacturing: paper and printing activities	1,319	79	1,399
Manufacturing: chemical products	1,734	108	1,841
Manufacturing: metal and machinery	3,608	141	3,749
Manufacturing: miscellaneous	2,824	329	3,153
Wholesale.....	14,595	978	15,573
Retail (except food and beverage stores)	5,150	126	5,276
Transportation and warehousing	8,459	552	9,010
Information and communication	3,768	241	4,009
Finance and insurance.....	27,857	2,688	30,545
Real estate, rental and leasing	29,725	399	30,125
Professional, scientific and technical services	4,072	310	4,382
Healthcare and social assistance.....	4,979	66	5,045
Arts, entertainment and recreation.....	1,585	67	1,653
Other services (except public administration).....	25,243	1,111	26,354
Total trade, manufacturing and services	146,336	9,026	155,362
Private individuals	193,958	428	194,386
Total	408,620	11,035	419,656

In addition to advances to other banks (€ 34 billion at 31 December 2008 which is 6% of total assets), the Rabobank Group's portfolio contains a concentration of loans to private individuals. The total on-balance outstandings to private individuals is 47% of the total of on-balance private sector loans. Loans of Rabobank Group's portfolio are diversified across numerous sub-industry sectors. None of these is larger than 10% of total private sector loans. Furthermore, Rabobank's portfolio is spread across industries in many different countries and is therefore well diversified.

Impaired loans

A loan is impaired if it is probable that payments of principal and interest will not be made in time and in accordance with the original contractual terms of the loan. There is also a matter of impairment if the obligor is past due more than 90 days or if the obligor has filed for bankruptcy or similar protection from creditors. Once a loan is identified as impaired, the impairment amount is measured as the difference between the

carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.

The following table provides an analysis of the Rabobank Group's impaired loans by business at 31 December 2008, 31 December 2007 and 31 December 2006:

	At December 31,		
<i>(in millions of euro)</i>	2008	2007	2006
Member banks	2,701	1,850	2,534
Rabohypotheekbank	62	36	34
Other retail	67	49	48
Total domestic retail banking	2,831	1,935	2,617
The Netherlands	347	213	394
Abroad	2,835	978	1,061
Total wholesale and international retail banking	3,182	1,191	1,455
Asset Management	42	4	1
Leasing	378	324	281
Other	140	16	1
Rabobank Group	6,573	3,470	4,355

Summary of loan loss experience

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to banks and customers for the past three years:

	At December 31,		
<i>(in millions of euro)</i>	2008	2007	2006
Domestic retail banking	1,303	1,228	1,204
Wholesale and international retail banking	778	846	978
Asset management and investment	4	1	3
Leasing	242	233	193
Real estate	27	24	30
Other	0	0	30
Total balance at January 1	2,355	2,333	2,438
Domestic retail banking	211	160	151
Wholesale and international retail banking	814	25	248
Asset management and investment	42	1	0
Leasing	139	108	81

At December 31,

<i>(in millions of euro)</i>	2008	2007	2006
Real estate	0	3	(1)
Other	42	0	2
Total additions	1,249	296	480
Domestic retail banking	(164)	(130)	(157)
Wholesale and international retail banking	(155)	(109)	(330)
Asset management and investment	(4)	0	(3)
Leasing	(116)	(93)	(76)
Real estate	(2)	0	(3)
Other	0	0	0
Total amount charged to the provisions	(441)	(332)	(568)
Domestic retail banking	47	44	31
Wholesale and international retail banking	98	17	(50)
Asset management and investment	0	3	0
Leasing	(9)	(6)	36
Real estate	0	0	(2)
Other	0	0	(32)
Total other	136	58	(17)
Domestic retail banking	1,398	1,303	1,228
Wholesale and international retail banking	1,536	778	846
Asset management and investment	42	4	1
Leasing	256	242	233
Real estate	25	27	24
Other	42	0	0
Total balance at December 31	3,299	2,355	2,333
Total additions	1,249	296	480
Recoveries	(60)	(31)	(30)
Bad debt costs	1,189	266	450

Deposits

The following table presents the year-end amounts, of each deposit category at 31 December 2008, 31 December 2007 and 31 December 2006. Interest rates paid on customer deposits by banks and individuals reflect market conditions. Not all current accounts earn interest.

At December 31,

<i>(in millions of euro)</i>	2008	2007	2006
Time deposits (non-banks).....	81,554	82,139	46,345
Current accounts.....	59,832	46,584	51,111
Professional securities transactions (repo's securities)	664	3,694	8,107
Other	31,326	30,713	28,010
Total deposits by businesses	173,376	163,130	133,573
Savings accounts	114,680	101,175	89,500
Current accounts.....	13,230	11,848	11,056
Other	2,928	457	788
Total deposits by individuals	130,838	113,480	101,344
Total deposits by businesses and individuals.....	304,214	276,610	234,917

Short-term borrowings

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in the Rabobank Group's consolidated balance sheet under "Debt securities in issue". An analysis of the balance of short-term borrowings at 31 December 2008, 31 December 2007 and 31 December 2006 is provided below.

At December 31,

<i>(in millions of euro)</i>	2008	2007	2006
Year-end balance.....	55,385	58,440	58,766
Average balance	61,010	61,277	60,211
Maximum month-end balance.....	68,963	67,358	63,524

Long-term borrowings

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in the Rabobank Group's consolidated balance sheet under "Debt securities in issue" and "Other financial liabilities at fair value through profit and loss". An analysis of the balance of long-term borrowings at 31 December 2008, 31 December 2007 and 31 December 2006 is provided below.

At December 31,

<i>(in millions of euro)</i>	2008	2007	2006
Year-end balance	105,191	110,675	95,570
Average balance	110,327	109,288	90,052
Maximum month-end balance	112,900	112,919	98,709

SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the reviewed interim financial information of the Rabobank Group, which have been reviewed by Ernst & Young Accountants LLP, independent auditors, with exception of the additional financial ratios, which are derived from the annual report and the interim report of the Rabobank Group. The data should be read in conjunction with the interim financial information, the consolidated financial statements and related notes incorporated by reference in, and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in, this Prospectus. The Rabobank reviewed interim financial information for the periods ended 30 June 2009 and 30 June 2008, and the Rabobank audited information for the period ended 31 December 2008 have been prepared in accordance with IFRS as adopted by the European Union (‘IFRS’).

Condenses consolidated balance sheet

<i>(in millions of euro)</i>	30-Jun-09	31-Dec-08	30-Jun-08
Assets			
Cash and cash equivalents	15,089	7,105	1,920
Due from other banks	35,655	33,776	34,395
Trading financial assets	10,632	11,576	21,048
Other financial assets at fair value through profit or loss	8,024	7,896	13,937
Derivative financial instruments	45,043	66,759	34,283
Loans to customers	435,811	426,283	389,419
Available-for-sale financial assets	35,556	31,665	42,670
Held-to-maturity financial assets	501	497	788
Investments in associates	3,945	3,455	4,191
Intangible assets	3,741	3,728	3,625
Property and equipment	5,987	5,870	5,575
Investment properties	1,039	1,038	1,201
Current tax assets	215	298	409
Deferred tax assets	1,448	1,619	1,738
Employee benefits	783	1	1
Other assets	11,892	10,554	12,587
Total assets	615,361	612,120	567,787
<i>(in millions of euro)</i>	30-Jun-09	31-Dec-08	30-Jun-08
Liabilities			
Due to other banks	25,696	23,891	39,257
Due to customers	284,908	304,214	275,530
Debt securities in issue	169,060	135,779	141,780
Derivative financial instruments and other trade liabilities	55,454	77,230	37,641
Other debts	11,039	8,644	10,136

Other financial liabilities at fair value through profit or loss	27,672	24,797	26,548
Provisions	919	875	1,090
Current tax liabilities	271	227	442
Deferred tax liabilities	506	474	710
Employee benefits	566	371	447
Subordinated debt	2,417	2,159	2,014
Total liabilities	578,508	578,661	535,595
Total equity	36,853	33,459	32,192
Total equity and liabilities	615,361	612,120	567,787

Condensed consolidated profit and loss account

(in millions of euro)

	First half 2009	First half 2008
Interest	3,885	3,919
Fees and commission	1,216	1,473
Other income	1,156	361
Total income	6,257	5,753
Staff costs	2,101	2,184
Other administrative expenses	1,337	1,281
Depreciation and amortisation	257	252
Operating expenses	3,695	3,717
Value adjustments	1,119	158
Operating profit before taxation	1,443	1,878
Taxation	127	265
Net profit	1,316	1,613
Of which attributable to Rabobank Nederland and local Rabobanks	938	1,259
Of which attributable to holders of Rabobank Member Certificates	160	150
Of which attributable to Capital Securities	96	39
Of which attributable to Trust Preferred Securities III to VI	45	49
Of which attributable to minority interests	77	116
Net profit for the period	1,316	1,613

Additional financial ratios:

	2009 I	2008	2008 I
BIS ratio ¹	13.5%	13.0%	11.2% ²
Tier I ratio ¹	13.0%	12.7%	11.6% ²
Bad debt costs (in basis points of average lending)	55	31	9

Note:

- (1) These figures have been based on the Basel II requirements with effect from 2008.
- (2) At 30-June-08 these ratio's have been calculated taking into consideration a floor of 90%.

RISK MANAGEMENT

The Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within the Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (“BRMC-RG”) in cooperation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Executive Board on all relevant issues regarding risk management. The Rabobank Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management department. These two committees report to the Executive Board, which is ultimately responsible for risk management within the Rabobank Group.

The principal risks faced by the Rabobank Group are credit risk, market risk, interest rate risk, country risk, liquidity risk and operational risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also 'Risk Factors'.

Risk Adjusted Return On Capital

Relating the profit achieved on a certain activity to the capital required for that activity produces the Risk-Adjusted Return On Capital (“RAROC”). RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across the Rabobank Group’s business activities and entities assists the Rabobank Group in striking a balance between risk, returns and capital for both the Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify the Rabobank Group’s activities also plays a significant part in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the six months ended 30 June 2009, Rabobank realised a RAROC after tax of 11.8%.

Market risk

Market risk relates to the change in value of the Rabobank Group’s trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors the Rabobank Group’s worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the DNB. The Rabobank Group’s risk models are based on the “Value at Risk” concept. Value at Risk describes the maximum possible loss that the Rabobank Group can suffer in a single day, based on historical market price changes and a given certain confidence interval. Value at Risk within the Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These “event risk scenarios” measure the effect of sharp and sudden changes in market prices. Statistical models are also used to generate other risk measures which assist the Market Risk department, as well as the BRMC-RG in evaluating the Rabobank Group’s market positions.

During the year 2008, the Value at Risk fluctuated between € 31 million (2007: €20 million) and € 58 million (2007: €32 million), with an average of € 39 million (2007: €26 million). The increased turmoil in the financial markets and the large fluctuations, particularly in credit spreads and interest rates, caused the Value at Risk to rise by more than 50% over 2008. As a result of the unwinding of certain market positions, the increase in Value at Risk was less than might otherwise have been expected given market developments.

On the basis of the Value at Risk analysis, Rabobank Nederland determines its use of capital for market risk positions throughout the Rabobank Group in compliance with the regulations of the DNB.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate.

Interest rate risk

The Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, amongst other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. The Rabobank Group manages interest rate risk through the BRMC-RG using both the accrual based Income at Risk concept and the value based Equity at Risk concept. Based on the Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to Rabobank Nederland's interest rate risk profile.

The Rabobank Group's short-term interest rate risk is measured and controlled based on the concept of "Income at Risk", which is the maximum amount of interest income-at-risk for the coming 24 months, due to increases/decreases in interest rates of 200 basis points, assuming a stable balance sheet and no management intervention. In this Income at Risk scenario a gradual increase/decrease of 200 basis points is assumed during the first year, while during the second year interest rates are assumed to remain stable.

The Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of "Equity at Risk", which is the sensitivity of the Rabobank Group's market value of equity to an instant change in interest rates of 200 basis points.

As at 31 December 2008, the Income at Risk (**IatR**) and Equity at Risk (**EatR**) for the Rabobank Group were as follows:

	200 basis points increase	200 basis points decrease
IatR 1 – 12 months	+ € 35 million	- € 54 million
IatR 13 – 24 months.....	- € 87 million	+ € 36 million
EatR.....	- 11%	+ 11%

Rabobank Group performs complementary scenario analyses to assess the impact of changes in customer behaviour and the economic environment.

Credit risk

The Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. Of the Rabobank Group's credit loan portfolio to the private sector, 47% in the first half year of 2009 consisted of loans to

private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 53% was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

With respect to the management of the Rabobank Group's exposure to credit risk, Rabobank Nederland's Credit Risk Management department and Group Risk Management department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) per business unit as a percentage of private sector loan portfolio:

Impaired loans/private sector loan portfolio per business unit

	Year ended December 31,		
	2008	2007	2006
Domestic retail banking	1.05%	0.79%	1.18%
Wholesale and international retail banking	3.48%	1.53%	1.93%
Leasing	1.95%	1.91%	1.82%
Rabobank Group	1.65%	0.97%	1.34%

At 30 June 2009, impaired loans corresponded with 2.0% of the private sector loan portfolio.

Bad and doubtful debt

Rabobank Group's credit portfolio is routinely monitored for doubtful and bad debts, which results in review of the credit quality and consequently, if needed, adjustment of the credit rating and taking an allowance. Within Rabobank Group, a formal analysis of specifically identified larger non-performing loans takes place every quarter and is reported in the form of loan strategy reports, which include evaluation of the risks associated with each loan, the current financial condition of the borrower, the economic environment in which the borrower operates, the value of collateral and the strategy for the coming period to protect the interests of the Rabobank Group.

The table below sets forth the Rabobank Group's bad debt costs for the six months ended June 30, 2009 and the three years ended 31 December 2008, 2007 and 2006, per business unit as a percentage of private sector lending:

Bad debt costs/average private sector lending per business unit

	Six months ended June 30,	Year ended December 31,		
	2009	2008	2007	2006
Domestic retail	0.34%	0.08%	0.06%	0.07%
Wholesale and international retail	1.23%	0.93%	0.02%	0.39%

	Six months ended June 30,	Year ended December 31,		
	2009	2008	2007	2006
banking				
Leasing.....	1.33%	0.64%	0.61%	0.53%
Rabobank Group	0.55%	0.31%	0.08%	0.15%

In determining the bad debt costs, corporate loans are assessed on a loan-by-loan basis and the following factors are considered:

- the financial standing of the customer, including a realistic assessment of the likelihood of repayment of the loan within an acceptable period and the extent of the Rabobank Group's commitments to the customer;
- the realisable value of any collateral (security) for the loan; and
- the costs associated with obtaining repayment and realisation of any security.

Country risk

Loans to parties abroad expose the Rabobank Group not only to the customary credit risk but also to country risk. Country risk is specifically attributable to events in a specific country or group of countries. The Rabobank Group encounters country risk in its lending, trading and investment activities. Country risk is managed using a system of internal ratings for relevant countries. Based on these ratings and the determination of the Country Limit Committee as to how much risk to take on, internal limits per country are established. Decisions on country risk limits are taken at Executive Board level and are based on recommendations of the Country Limit Committee. The calculation of additional capital requirements and provisions for country risk are made in accordance with internal guidelines and relate primarily to countries with a high transfer risk.

Liquidity risk

Liquidity risk is the risk that a member of the Rabobank Group will not be able to meet its financial liabilities when due. The Rabobank Group policy provides that the maturity of funding is aligned with the maturity of the loans. In addition, this risk is managed in three different ways. First, the Bank limits outgoing cash flows by measuring and reporting on a daily basis which incoming and outgoing cash flows are to be expected over the next 30 days. In addition, limits have been set for such outgoing cash flows for each currency and location. In order to be prepared for possible crises, detailed contingency plans are in place that provide the procedures to be followed.

Secondly, a large buffer of liquid securities is being held. If necessary, these assets can be used for borrowings from central banks, in repo transactions or for direct selling in the market as a way of generating liquidity.

Thirdly, liquidity risk is limited by Rabobank Group's prudent funding policy, which is to meet the funding requirements of the Rabobank Group entities at an acceptable cost. In this context, diversification of funding sources and currencies, flexibility of the funding instruments used and active investor relations play an important role. This prevents Rabobank Group's overdependence from a single source of funding.

Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets. Methods used to measure liquidity risk include the CA/CL method (Core Assets/Core Liabilities). Using various time periods, a quantification is made of the assets, unused facilities and liabilities that are expected to remain on the balance sheet after assumed and closely

defined stress scenarios have occurred. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities, respectively, and their inter-relationship is the liquidity ratio. A ratio below 1.2 is considered adequate and in 2008, this was the case for the scenarios used.

Operational risk

Operational risk is the risk of direct or indirect losses arising from deficiencies in procedures and systems and from human failures or from external events. The Rabobank Group has a Group-wide operational risk policy. Decentralised databases are set up at all entities to record operational incidents and report them on a quarterly basis. In addition, sophisticated instruments are made available to enable robust operational risk management within each Rabobank Group entity. As before, the management of the individual Rabobank Group entities is responsible for developing policy, processes and procedures to manage operational risk in line with Rabobank Group policy.

GOVERNANCE OF THE RABOBANK GROUP

Corporate governance

In recent years the corporate governance of organisations has been of particular public interest. Rabobank Group uses a system of checks and balances at all its corporate levels. A distinguishing element in Rabobank Group's governance is the Central Delegates Assembly (*Centrale Kringvergadering* ("CKV")), Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in Rabobank Nederland's strategic decisions. Rabobank Group's corporate governance is broadly consistent with the Dutch corporate governance code. Additionally, it will take into account any outcomes from the Frijns committee's (a committee monitoring compliance with the Dutch corporate governance code) review of this code that may be relevant to the Bank. The following pages discuss all aspects, thus demonstrating Rabobank Group's balanced corporate governance.

Cross-guarantee system

Rabobank Group consists of the local Rabobanks, their central organisation Rabobank Nederland and its subsidiaries and other affiliated entities. Through their mutual financial association, various legal entities within Rabobank Group together make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Section 3:111 of the Financial Supervision Act. 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.

Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy, its results, the synergy within Rabobank Group, compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. The Executive Board reports on all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank Nederland, the Central Delegates Assembly (the organisation's "parliament", which is authorised to take decisions on behalf of the local Rabobanks) and the General Meeting (*algemene vergadering*) of Rabobank Nederland, which is formed by the members, i.e. the local Rabobanks.

The management of Rabobank Group is based in part on the interrelationship between risk, return and capital. The Financial Supervision Act and the subordinate legislation based thereon, as well as regulations imposed by the supervisory authorities – i.e. the DNB and the AFM – have formulated standards for financial institutions. The supervision on the Bank's solvency and stability – i.e. prudential supervision – is performed by DNB, while the AFM has the supervision of the Bank's conduct. Obviously, these regulations form the framework for the organisation and control of Rabobank Group's activities.

The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. They may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Confidentiality Committee of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

Supervisory Board

The Supervisory Board performs the supervisory role within Rabobank Nederland. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank Nederland and its affiliated entities. As part of this task, the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

In the performance of their duties, the members of the Supervisory Board act in the interests of all stakeholders of Rabobank Nederland and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Meeting on the recommendation of the Supervisory Board. The independence of the individual members is an important consideration in this respect. The Confidentiality Committee of the Central Delegates Assembly determines the remuneration of the members of the Supervisory Board and has a say in the profile of the members of the Supervisory Board.

The Supervisory Board annually assesses its own performance, in terms of the collective body's performance and that of its individual members. Initiatives are developed regularly in order to keep the members of the Supervisory Board up-to-date on developments in the institutional and legal environment in which the Bank operates and on risk management systems. The Supervisory Board has five committees: the Cooperative Issues Committee, the Audit & Compliance Committee, the Appointment Committee, the Remuneration Committee and the Appeals Committee.

Member influence

An important precondition for good corporate governance at Rabobank Group is an open culture with clear accountability for management and supervision. Without transparency, Rabobank Nederland cannot account to the local Rabobanks on Rabobank Nederland's management and supervision of the entities forming the Rabobank Group, nor can this be assessed. The local Rabobanks are members of the Rabobank Nederland cooperative. This membership entails rights and obligations. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. In addition, the local Rabobanks are Rabobank Nederland's shareholders.

Central Delegates Assembly

As from January 1, 2007, the local Rabobanks are organised geographically in 12 regions. The Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*centrale kringvergadering*) (CKV). Through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, the members/clients of the local Rabobanks are represented in the CKV, which meets in Utrecht at least four times a year.

The CKV's powers include the establishment of rules that all local Rabobanks must comply with and the establishment of the Strategic Framework. The outcome directly influences Rabobank Group's policy. The CKV also approves the annual plan and the budget of the local Rabobanks. The CKV has substantive discussions, which mainly concern the local Rabobanks. These discussions are held not only as part of the CKV's specific duties and powers, but also with the aim of encouraging commitment in the local Rabobanks and consensus between the local Rabobanks and Rabobank Nederland.

Consequently, the manner in which Rabobank Nederland accounts for its policy to its members is more extensive than the account rendered by a typical listed public company to its shareholders. Because of the special relationship between Rabobank Nederland and its members, the CKV enjoys very high attendance. In

order to operate more effectively, the CKV has appointed committees, which are charged with special duties. They are: the Committee on Confidential Matters (advises on appointments in the Supervisory Board, fixes the Supervisory Board's remuneration and assesses the Supervisory Board's application of the remuneration policy), the Coordinating Committee (draws up the agenda of the CKV and subjects items for the agenda to formality compliance tests) and the Emergency Affairs Committee (advises the Executive Board on behalf of the CKV in urgent and confidential cases concerning major investments or divestments).

In order to maintain maximum effectiveness of the CKV, an internal committee was established in 2006 whose task was to advise on the CKV's desired future size and composition. The committee's recommendations included the following: to reduce the CKV membership from 120 to 72, to introduce observers in the CKV and to confirm the CKV's composition according to the ratio of "2 elected members to 1 appointed member". These recommendations have been implemented.

General Meeting

The General Meeting (*algemene vergadering*) is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the Articles of Association and regulations, and the appointment of members of the Supervisory Board. The CKV issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. The local Rabobanks have voting rights in the General Meeting in proportion to their size. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

Employee influence

A few years ago, the Group Works Council of Member Banks ("GOR AB") was created as an employee representative body. It acts as a discussion partner to the manager on issues that concern the social policy of all local Rabobanks. The creation of the GOR AB does not affect the position of Rabobank Nederland's Works Council or the existing Works Councils of the local Rabobanks. As a result, they continue to act in full as employee representative bodies within the meaning of the Works Councils Act.

Corporate governance of the local Rabobanks

Only banks that have a cooperative structure and whose Articles of Association have been approved by Rabobank Nederland can be members of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other.

Pursuant to the prudential supervision part of the Financial Supervision Act and under Rabobank Nederland's Articles of Association and the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on the integrity of their operations, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act, Rabobank Nederland has been appointed by the Dutch Finance Ministry as the holder of a collective license that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

Management and supervision of the local Rabobanks

Two governance models are possible for the local Rabobanks. The introduction of a second governance model – the executive model – besides the existing partnership model was prompted at the time by the wish to respond to internal and external changes, for example, the ongoing scaling-up process, a changing market and increasing legislation and regulations. Both governance models focus on ensuring effective management as

well as professional and independent supervision. The effectiveness of both models will be reviewed during 2009.

Since both governance models provide assurance of effective member influence and control, the governance of the local Rabobanks will continue to be carried out both adequately and professionally in the future, but also in a way that befits their cooperative character. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the Articles of Association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. In addition, account is rendered to the members in respect of the bank's management and supervision.

Partnership model

In the Partnership model, the Board of each local Rabobank consists of persons elected by the members from their ranks, plus a managing director who is appointed by the Supervisory Board. The managing director is primarily concerned with the day-to-day management of the bank's operations. The Supervisory Board supervises the Board.

Executive model

In the executive model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. In this model, no Board members are elected by the members from their ranks, as is the case in the partnership model.

Member council

Local Rabobanks using the executive model must institute a member council in order to firmly and permanently embed member influence and control in the structure. An increasing number of banks using the partnership model have established a member council as well. The member council is a delegation of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

Corporate governance information on the Internet

Rabobank Group has placed information on its corporate governance and activities on its public Internet site, including a full explanation of the areas in which Rabobank Group deviates from the Dutch Corporate Governance Code. While Rabobank Group endorses the Dutch Corporate Governance Code's principles and implements the majority of its elements, it does not implement a number of principles and best practice provisions on account of its cooperative structure.

Controls over financial reporting

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, for example, by endorsing the principles of the Dutch Corporate Governance Code. Rabobank Group seeks an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading risk management practices in the world.

Rabobank Group voluntarily assessed the internal controls over financial reporting in a manner similar to that which U.S.-registered companies have done pursuant to Section 404 of the United States Sarbanes-Oxley Act of 2002, even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight.

Rabobank Group believes that the review of its internal controls over financial reporting has increased the effectiveness of those controls, including its ability to identify and to remediate any deficiencies at an earlier

stage. This results in greater transparency for all stakeholders in the quality of Rabobank Group's financial reporting process. As a result of its review, Rabobank Group has identified areas to improve, simplify and standardise specific business processes.

Rabobank Group has established and maintains a comprehensive system of internal control measures designed to ensure transactions are executed as authorised, financial reporting is accurate and reliable, and assets are safeguarded.

Rabobank Group has implemented a process whereby finance and business executives throughout Rabobank Group assess and attest to the accuracy of financial information as well as the adequacy and effectiveness of internal control over financial reporting. Rabobank Group has adopted policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by the European Union, and that receipts and expenditures are made only in accordance with authorisations of Management; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

The internal control framework for the organisation and control of Rabobank Group's activities is based on the framework set forth by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). As set out in the report included in the financial statements, the Executive Board concluded that Rabobank Group's internal control over financial reporting is adequate and effective, consistent with the criteria established by COSO.

Risk management

The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and capital. Both the DNB and the Bank itself have formulated standards concerning Rabobank's organisation and control.

Rabobank's organisation and control are subject to the Dutch Financial Supervision Act, including subordinate legislation based thereon, and regulations imposed by both the DNB and the AFM as supervisory authorities. These legal requirements and supervisors' regulations form Rabobank Group's framework for the organisation and control of its activities. For further information, please refer to the relevant sections in this Prospectus, and in particular to the section above on "Controls over financial reporting", which addresses risks relating to financial reporting, and the "Risk Management", which includes a description of control systems relating to the most important other risks identified by Rabobank Group.

The following persons, all of whom are resident in the Netherlands are appointed members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

Supervisory Board of Rabobank Nederland

Name	Born	Year Appointed¹	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2013	Dutch
Irene Petronella (I.P.) Asscher-Vonk	1944	2009	2013	Dutch

Name	Born	Year Appointed¹	Term Expires	Nationality
Bernard (B.) Bijvoet	1940	2002	2012	Dutch
Anthonie (A.) de Bruijn	1953	2009	2013	Dutch
Sjoerd (S.E.) Eisma	1949	2002	2010	Dutch
Louise (L.O.) Fresco.....	1952	2006	2010	Dutch
Marinus (M.) Minderhoud	1946	2002	2011	Dutch
Paul (P.F.M.) Overmars.....	1945	2005	2012	Dutch
Herman (H.C.) Scheffer.....	1948	2002	2010	Dutch
Martin (M.J.M.) Tielen.....	1942	2002	2013	Dutch
Aad (A.W.) Veenman.....	1947	2002	2010	Dutch
Cees (C.P.) Veerman	1949	2007	2011	Dutch
Antoon (A.J.A.M.) Vermeer	1949	2002	2010	Dutch
Arnold (A.H.C.M.) Walravens.....	1940	2004	2011	Dutch

Note:

- (1) As a result of a 2002 amendment of the management organisation of Rabobank Nederland, the former supervisory council was replaced by the Supervisory Board due to which the appointment date for a number of supervisory directors was fixed at 2002 even though they had been previously on the supervisory council.

Lense (L.) Koopmans: Chairman of the Supervisory Board of Rabobank Nederland. Emeritus Professor of Economics at the University of Groningen. Chairman of the Board of Directors of Stichting TBI. Chairman of the Supervisory Board of Siers Groep B.V. Chairman of the Supervisory Board of Arriva Nederland B.V. Chairman of the Supervisory Board of TSS B.V. Member of the Supervisory Board of Huntsman Holland B.V. Member of the Supervisory Board of KIWA N.V. Member of the Supervisory Board of NOM N.V. Member of the Board of Directors of Stichting Administratiekantoor Unilever N.V. Vice-chairman of the Board of Supervision of the University Medical Centre, Groningen. Chairman of the Board of Supervision of the Fries Museum en Princessehof.

Irene Petronella (I.P.) Asscher-Vonk: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Koninklijke Luchtvaart Maatschappij N.V. Member of the Supervisory Board of Arriva Nederland, Member of the Supervisory Board of PGGM N.V. Member of the Supervisory Board of Philip Morris Holland B.V. Chairman of the Episcopal Court (Bisschoppelijk Scheidsgerecht), Member of the Public Service Advisory and Arbitration Board (Advies- en Arbitragecommissie Rijksdienst), Chairman of the National Arbitration Board (Landelijke Geschillencommissie)

Bernard (B.) Bijvoet: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Essent N.V. Chairman of the Supervisory Board of AH Kaascentrale B.V. Acting member of the Board of Directors of Vereniging Achmea.

Anthonie (A.) de Bruijn: Member of the Supervisory Board of Rabobank Nederland. Chairman of the Programme Advisory Committee on Greenhouse Farming Research (commodity board horticulture)

(*Programma Adviescommissie Glastuinbouwonderzoek (productschap tuinbouw)*). Member of the Board of the Foundation for Innovation of Greenhouse Farming (*Stichting Innovatie Glastuinbouw Nederland*).

Sjoerd (S.E.) Eisma: Partner De Brauw Blackstone Westbroek N.V. Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of HAL Holding N.V. Member of the Supervisory Board of Grontmij N.V. Deputy judge at The Hague Court. Professor occupying an endowed chair at the University of Amsterdam. Member of the Capital Market Committee, Financial Markets Authority (*Autoriteit Financiële Markten*). Vice-chairman of the Board of Directors of the Securities Law Association. Contributor to *Nederlands Juristenblad*. Member of the Board of Directors of the Anton Philips Fund. Member of the Board of Directors of Stichting Pensioenfonds HAL. Member of the Advisory Board of Sunsmile Trading/Sunsmile de Mozambique, Limitada. Member of the Board of Directors of Willem-Alexander Kinderfonds. Member of the Board of Stichting Haags Kinderatelier. Vice-chairman of the Board of Stichting Holland Financial Centre. Chairman of the Board of Supervision of the Royal Academy of Art, Music and Dance (*Hogeschool van Beeldende Kunsten, Muziek en Dans*).

Louise (L.O.) Fresco: University Professor, University of Amsterdam. Distinguished Professor at Wageningen University. Member of the Supervisory Board of Rabobank Nederland. Member of the Recommendation Committee for the University Asylum Fund. Member of the Spanish Academy of Engineering Sciences. Member of the Swedish Academy of Agricultural and Forestry Sciences. Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER). Member of the Board of Supervision of the United Nations University in Tokyo. Member of the Delta Committee on sea level rise. Columnist, NRC Handelsblad.

Marinus (M.) Minderhoud: Member of the Supervisory Board of Rabobank Nederland. Vice Chairman of the Supervisory Board of Eureko B.V. (Achmea). Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V. Chairman of Vodafone Europe B.V. Chairman of Vodafone International Holdings B.V.

Paul (P.F.M.) Overmars: Former Vice-chairman of the Executive Board of Eureko B.V. and former CEO of Achmea (*currently retired*). Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Eureko B.V. Vice-chairman of the Board of Directors of Vereniging Achmea. Chairman of Stichting Muziek in Grote of Sint Jeroenskerk in Noordwijk. Chairman of the Board of Directors of the Eureko/Achmea Foundation.

Herman (H.C.) Scheffer: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Drie Mollen. Member of the Supervisory Board of the Coöperatieve Cehave Landbouwbelaang U.A. Member of the Supervisory Board of the Heerema Group. Member of the Supervisory Board of Elysians B.V. Member of the Advisory Board of Gilde.

Martin (M.J.M.) Tielen: Emeritus Professor at Utrecht University. Member of the Supervisory Board of Rabobank. Member of the Executive Board and Treasurer of the International Society for Animal Hygiene (ISAH). Chairman of the Stichting Stimulerend Agrarisch Onderwijs en Praktijk. Chairman of the Stichting Professor Tielen Fonds. Member of the Board of Directors of Vereniging Achmea.

Aad (A.W.) Veenman: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of TenneT B.V. Member of the Supervisory Board of GVB (*Gemeentelijk Vervoerbedrijf Amsterdam*). Chairman of the Board of Supervision of ICT Regie. Member of the Supervisory Board of the ECN. Chairman Advisory Board Nationaal Lucht & Ruimtevaartlaboratorium. Chairman Community of European Railway and Infrastructure Companies (CER).

Cees (C.P.) Veerman: CEO of Bracamonte B.V. in Groesbeek. Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective. Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Clearwood B.V. Member of the Supervisory Board of Barenbrug B.V. Member of the Supervisory Board of Koninklijke

Reesink N.V. Member of the Supervisory Board of the Netherlands Genomics Initiative. Chairman of the Board of Supervision for the Kennis voor Klimaat (Knowledge for Climate) research project. Chairman of the Delta Committee. Chairman of the Society for the Preservation of Nature Reserves in the Netherlands (*Vereniging Natuurmonumenten*). Chairman of the Research Institute of Christian Democratic Appeal (CDA).

Antoon (A.J.A.M.) Vermeer: Chairman of the Board of Directors of Zuidelijke Land en Tuinbouw Organisatie (ZLTO). Member of the Maatschap Melkveehouderijbedrijf (dairy farming partnership). Vice-chairman of the Supervisory Board of Rabobank Nederland. Chairman of the Supervisory Board of VION N.V. Chairman of the Supervisory Board of Eureko B.V. Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University. Vice-Chairman of the Federation Committee of LTO Nederland (*Land en Tuinbouw Organisatie*). Chairman of the Agricultural Innovation Agency (*Landbouwinnovatiebureau, LIB*) for the Province of North Brabant. Chairman of the Board of Supervision of the Historische en Archeologische Stichting (HAS).

Arnold (A.H.C.M.) Walravens: Chairman of the Supervisory Board of Eureko B.V. Member of the Supervisory Board of Rabobank Nederland. Chairman of the Supervisory Board of Achmea Re Luxembourg. Member of the Supervisory Board of OWM Molest-risico W.A. Chairman of the Supervisory Board of Sneepe Industries B.V. Vice Chairman of the Board of Vereniging Achmea. Chairman of the Board of the President of MBA Studies, IEDC, Bled School of Management Slovenia. Member of the Senate of International Executive Development Center, Slovenia. Director/Owner “Aan de Oude Delft”, Art and Auction Services.

Executive Board of Rabobank Nederland

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A9.9.1

<u>Name</u>	<u>Born</u>	<u>Year Appointed</u>	<u>Nationality</u>
Piet (P.W.) Moerland, Chairman.....	1949	2009	Dutch
Bert (A.) Bruggink.....	1963	2004	Dutch
Berry (B.J.) Marttin	1949	2009	Dutch and Brazilian
Sipko (S.N.) Schat	1960	2006	Dutch
Piet (P.J.A.) van Schijndel	1950	2002	Dutch

Piet (P.W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of 1 January 2003 and was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 July 2009. Mr. Moerland is responsible for Audit Rabobank Group and the Supervisory and Legal and Fiscal Affairs directorates. His portfolio furthermore includes the Knowledge & Economic Research, Communications and Corporate Social Responsibility directorates. After completing his degree and dissertation in the field of economics at the Erasmus University of Rotterdam in 1978, Mr. Moerland undertook a position with Rabobank Nederland's Central Group Staff from 1979 to 1980. Mr. Moerland then took a position as a professor of business administration with a focus on economics at the University of Groningen from 1981 to 1987 and as a professor of business economics with a focus on corporate finance at the University of Tilburg from 1988 to 2002. Mr. Moerland also had a sponsored chair as a professor of corporate governance at the University of Tilburg. Within the Rabobank Group Mr. Moerland serves as a member of the Board of Directors of Rabobank Foundation and as chairman of the board of the Foundation Contingency Fund Rabobanken (Stichting Garantiefonds Rabobanken) and Chairman of the Board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten. Outside Rabobank, Mr. Moerland serves as a member of the Supervisory Board of Essent N.V. (electricity), member of the Advisory Board of the Dutch Order of Accountants and Administration Consultants, Member of the Board of Directors of the NVB (Association of Dutch Banks), chairman of the European Association of Co-operative Banks (Groupement) and Member of the Board of Directors International Raiffeisen Union (IRU).

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Global Risk Management, Treasury Rabobank Group and Special Administration Rabobank. Mr. Bruggink joined the Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of Finance and Control Rabobank International (1994-1998) and Group Finance Director Rabobank Group (1998-2004). As CFO, he fulfils several additional functions. He also works as a part-time professor in the Twente University of Technology (Financial Institutions and Markets). He is a member of the Advisory Council of Isala Klinieken and of the Board of Supervisory Directors ROVA. Member of the Dutch Banking Association Policy Committee of Supervision & Monetary Affairs and Member of the Policy Committee of the DNB/Dutch Banking Association Mixed Working Group.

Berry (B.J.) Marttin: Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mr. Marttin joined Rabobank in 1990. Within the Executive Board, Mr. Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than fourteen years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale and retail banking. After fulfilling a number of positions in Brazil, Mr. Marttin was appointed food & agri account manager in Curacao. He then continued his career as Head of International Corporates in Hong Kong. Mr. Marttin subsequently moved to Indonesia four years later to take up an appointment as Head of Risk Management. Thereafter, Mr. Marttin served as Deputy General Manager of Rural Banking in Australia and New Zealand. Prior to his appointment to Rabobank Nederland's Executive Board he was Chairman of the Board of Directors of Rabobank Amsterdam. Mr. Marttin is a member of the Steering Committee Unico Banking Group and member of the Board of Directors American Chambers of Commerce.

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as per 1 July 2006. Mr. Schat is responsible for the international business, Mr. Schat is member of the Managing Board of Rabobank International Wholesale and primarily responsible for Corporate Clients Large Businesses, Corporate Finance, Trade & Commodity Finance and Global Financial Markets. Mr. Schat took a position as in-house counsel with Rabobank Nederland between 1985 and 1990. Mr. Schat was senior manager Structured Finance between 1990 and 1995, Head Corporate Finance of Rabobank Ireland plc between January 1994 and December 1994, Head Structured Finance Europe between 1995 and 1999 and Head Corporate Finance of Rabobank International between 1999 and 2002. Mr. Schat also held positions as Head Corporate Finance (worldwide), member of the Supervisory Board of Rabobank Ireland plc and Managing Director of Rabo Merchant Bank N.V. He was appointed as a member of the management board of Rabobank International as of April 2002 responsible for North and South America and as of September 2004 responsible for Corporate Finance, Trade Finance, Private Equity and Corporate Advisory. He is also a Member of the Supervisory Board of De Lage Landen International, Member of the Supervisory Board of Bouwfonds N.V. and Member of the Supervisory Board of Bank Sarasin & Cie AG.

Piet (P. J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. Mr. van Schijndel is responsible for the Retail, Private Banking and Group ICT directorates. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, Vice-Chairman of the Executive Board of Interpolis from 1990 to 1997 and Chairman of the Executive Board of Interpolis from 1998 to 2002. Mr. van Schijndel serves as Chairman of the Supervisory Boards of Obvion and Rabohypotheekbank, Chairman of the Supervisory Board of De Lage Landen International and Chairman of the Supervisory Board of Rabo Mobiel. Furthermore, Mr. van Schijndel is a Member of the Board of Directors of the NVB (Association of Dutch Banks). Member of the Board of the

Nederlandse Rode Kruis. Member of the Supervisory Board of St. Elisabeth Ziekenhuis Tilburg. Chairman of the Supervisory Board of Orbay.

Aline Gertrude (A.G.) Silvis: Mrs. Silvis was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mrs. Silvis is responsible for the Small- and Medium-Sized Enterprises, Company Management, Co-operative & Management Affairs and Human Resources directorates. Mrs. Silvis joined Rabobank in 1984. Having begun working for Rabobank Nederland as a management trainee, she then went on to hold a number of positions within the securities division, the international division, the payments division and Rabofacet. In her role as Head of Administrative Affairs, she was closely engaged in the process of merging local member banks. In recent years, she has served as Head of the Management and Talent Development Directorate and has been responsible for merging the Human Resources and Management and Talent Development directorates into a single directorate providing integrated services, for the entire Rabobank Group.

Administrative, management and supervisory bodies conflicts of interests

A9.9.2
A11.9.2

The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer and their private interests or other duties of the persons listed above under "Supervisory Board of Rabobank Nederland" and "Executive Board of Rabobank Nederland".

Administrative, management and supervisory bodies business address

The business address of the members of the Issuer's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF THE RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on January 1, 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union (“EU”) directives which have a significant impact on the regulation of the Rabobank Group’s banking, asset management and broker-dealer businesses in the EU and the regulation and control of local supervisory authorities of the various countries in which the Rabobank Group does business.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the “Basel Committee”) develops international capital adequacy guidelines based on the relationship between a bank’s capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “Basel guidelines”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce an existing source of competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on January 1, 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. A new accord (“Basel II” - the previous Basel guidelines being referred to as “Basel I”) was published in June 2004. Basel II is a flexible framework that is more closely in line with internal risk control and that results in a more sophisticated credit risk weighting. The Basel II framework, consisting of three “pillars”, reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital (“Pillar 1”) and for supervisors to review such assessments to ensure banks have adequate capital to support their risks (“Pillar 2”). It also seeks to strengthen market discipline by enhancing transparency in banks’ financial reporting (“Pillar 3”).

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank’s actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks’ internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgement and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks’ public reporting.

Instead of the previous “one size fits all” approach, under Basel II banks have the option to choose between various approaches, each with a different level of sophistication in risk management, ranging from simple via intermediate to advanced, giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the “Standardised Approach”, the “Foundation Internal Ratings Based Approach” and the “Advanced Internal Ratings Based Approach”. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to

use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Probability of Default”. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Exposure at Default” and the “Loss Given Default”. The Rabobank Group has chosen the most sophisticated approach, the “Advanced Internal Ratings Based Approach”.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the Advanced Measurement Approach. The Rabobank Group has chosen the “Advanced Measurement Approach”.

European Union standards

The European Community had adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of April 17, 1989 on the “own funds” of credit institutions (the “Own Funds Directive”), defining qualifying capital (“own funds”), and the Council Directive of 18 December 1989 on a capital base ratio for credit institutions (the “Capital Base Ratio Directive” and, together with the Own Funds Directive, the “Capital Directives”), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required EU member states to transform the provisions of the Capital Base Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The Capital Directives permitted EU member states, when transforming the Capital Directives into national law, to establish more stringent, but not more lenient requirements. In 1993, the EC adopted the Directive of March 15, 1995 on the capital adequacy of investment firms and credit institutions (“EEC Directive 1993/6”) and in 2000 the Directive of March 20, 2000 on the taking up and pursuit of the Business of Credit Institutions (“EC Directive 2000/12”), which directive consolidated various previous directives, including the Capital Directives.

EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49, respectively, to introduce the new capital requirements framework agreed by the Basel Committee on Banking Supervision. The new rules on capital requirements reflect the flexible structure and the major components of Basel II, tailored to the specific features of the EU market. The simple and intermediate approaches of Basel II have been available from January 2007 and the most advanced approaches since January 2008.

On 16 December 2002, the EU adopted a directive on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate. This directive aims to address the supervisory issues that arise from the blurring of distinctions between the activities of firms in each of the banking, securities, investment services and insurance sectors. The main objectives of the directive are to:

- ensure that a financial conglomerate has adequate capital;
- introduce methods for calculating a conglomerate’s overall solvency position;
- deal with the issues of intra-group transactions, exposure to risk and the suitability and professionalism of management at financial conglomerate level; and
- prevent situations in which the same capital is used simultaneously as a buffer against risk in two or more entities which are members of the same financial conglomerate (“double gearing”) and where a parent issues debt and downstreams the proceeds as equity to its regulated subsidiaries (“excessive leveraging”).

The directive was implemented in the Netherlands in the Financial Supervision Act that came into effect on January 1, 2007.

Dutch regulation

General

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

Pursuant to authority granted under the Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of the Rabobank Group's activities. The Netherlands Authority for the Financial Markets supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act.

Scope of the Financial Supervision Act

A bank is any enterprise whose business it is to receive repayable funds from outside a closed circle and from others than professional market parties, and to grant credits for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the local Rabobanks, are banks and, because they are engaged in the securities business as well as the commercial banking business, each is considered a "universal bank".

Licensing

Under the Financial Supervision Act, a bank established in the Netherlands is required to obtain a licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the bank must have a minimum equity (*eigen vermogen*) of € 5,000,000. Also, the Dutch Central Bank shall refuse to grant a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank, (ii) the trustworthiness of the persons who determine the policy of the bank is not beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to "prudent banking policy" (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining it.

Reporting and investigation

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a balance sheet and a profit and loss statement that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports.

Rabobank Nederland and the local Rabobanks must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the Dutch Central Bank. Rabobank Nederland's independent auditors audit these reports annually.

Supervision

The Dutch Central Bank exercises supervision with respect to the solvency and liquidity of banks, supervision of the administrative organisation of banks and structure supervision relating to banks. To this end, the Dutch Central Bank has issued the following general regulations:

Solvency supervision

The regulations of the Dutch Central Bank on solvency supervision require in broad terms that a bank maintains own funds in an amount equal to at least 8% of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Financial Supervision Act, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under “Basel standards” above and as laid down in EU directives described above under “European Union standards”. For credit risk Rabobank uses the Advanced Internal Ratings Based Approach. For operational risk, Rabobank uses the most refined approach, the Advanced Measurement Approach.

Liquidity supervision

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against “net” liabilities of banks (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limit.

Structure supervision

The Financial Supervision Act provides that a bank must obtain a declaration of no-objection from the Minister of Finance (or in certain cases from the Dutch Central Bank) before, among other things, (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code, (ii) acquiring or increasing a qualified holding in a regulated institution such as a bank or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase amounts to more than 1% of the bank’s consolidated balance sheet total, (iii) acquiring or increasing a “qualified holding” in another enterprise than those mentioned under (ii) if the amount paid for the acquisition or the increase together with any amounts paid for prior acquisitions and prior increases exceeds 1% of the consolidated own funds of the bank, (iv) acquiring all or a substantial part of the assets and liabilities of another enterprise or institution if this amounts to more than 1% of the bank’s consolidated balance sheet total, (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1% of the bank’s consolidated balance sheet total or (vi) proceeding to financial or corporate reorganisation. For the purposes of the Financial Supervision Act, “qualified holding” is defined to mean the holding, directly or indirectly, of an interest of at least 10% of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a bank, or to exercise any voting power in connection with such holding, only after such declaration of no objection has been obtained.

Administrative supervision

The Dutch Central Bank also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

The Financial Supervision Act contains an “emergency regulation” which can be declared in respect of a bank by a Dutch court at the request of the Dutch Central Bank in the interest of the combined creditors of the bank. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the organs of the bank. A bank can also be declared in a state of bankruptcy by the court.

CAPITALISATION OF THE RABOBANK GROUP

The following table sets forth in summary form the Rabobank Group’s consolidated own funds and consolidated medium-term and long-term debt securities at 31 December 2008 and at 31 December 2007:

	At December 31,		
<i>(in millions of euro)</i>	2008	2007 (restated)	2007
Equity of Rabobank Nederland and local Rabobanks			
Retained earnings and other reserves.....	20,074	19,684	19,650
Rabobank Member Certificates issued by a group company.....	6,236	6,233	6,233
Capital Securities and Trust Preferred Securities III to VI.....	3,510	2,779	2,779
Minority interests	3,639	2,713	2,713
Total equity	33,459	31,409	31,375
Subordinated debt.....	2,159	2,294	2,294
Debt securities in issue ⁽¹⁾	135,779	141,812	141,812
Total capitalisation	171,397⁽²⁾	175,515	175,481
Breakdown of reserves and retained earnings			
Revaluation reserves for available-for-sale financial assets.....	(898)) 489	489
Other reserves.....	(332)) 38	38
Retained earnings	21,304	19,157	19,123
Total reserves and retained earnings	20,074	19,684	19,650

Notes:

- (9) Debt securities in issue includes short-term debt and long-term debt. At 31 December 2008, and at 31 December 2007, the Rabobank Group had short-term debt amounting to € 55,385 million and € 58,440 million respectively. At 31 December 2008, and at 31 December 2007, The Rabobank Group had long-term debt amounting to € 80,394 million € 83,372 million, respectively.
- (10) The total capitalisation of the Rabobank Group at 31 December 2008 would have been approximately € 172,475 million as adjusted for the new issue of U.S.\$1,500,000,000 of Additional New Capital Securities and an assumed issue of U.S.\$1,368,297,000 of New Capital Securities in connection with the Exchange Offers, based on an assumed tender of U.S.\$1,013,623,000 of TPS II and U.S.\$743,275,000 of TPS III.

There has been no material change in the capitalisation of the Rabobank Group since 31 December 2008.

TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Dutch tax considerations in relation thereto. This summary does not discuss the Dutch tax treatment of any instruments acquired by a holder of Securities as a result of physical settlement of the Securities.

This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Dutch corporate income tax.
- (iv) holders of Securities for whom the benefits from the Securities qualify for the participation exemption within the meaning of article 13 of the Dutch corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Withholding tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and individual income tax

Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon

the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25.5%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52%) under the Dutch income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

Non-residents of the Netherlands

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Dutch tax purposes (or has not opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands (other than by way of securities) and to which enterprise the Securities are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.5%.

- (ii) the holder is an individual and such holder (1) has 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 to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Securities which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands (other than by way of securities or an employment contract) and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from the Securities as specified under (3) that is not already included under (1) or (2) will be taxed at a rate of 30% over the 4% deemed return on income from savings and investments.

Gift and inheritance tax

Residents of the Netherlands

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or as a result of, the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax, unless:

- (i) such holder at the time of the gift or his or her death, has an enterprise or an interest in an enterprise which is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative the Securities are (deemed to be) attributable; or
- (ii) in the case of a gift of the Securities by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, and at the time of his or her death is a resident or deemed to be a resident of the Netherlands.

Value added tax

In general, no Dutch value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

2. EU Savings Directive

Under EC 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 payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established 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 including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in the Programme Agreement dated 24 September 2009 (as amended or supplemented as at the Issue Date (the **Programme Agreement**)) between the Issuer and the Initial Dealers (as defined in the Programme Agreement) the Securities will be offered on a continuous basis by the Issuer to the Initial Dealers (unless otherwise agreed). However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Initial Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Securities to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer(s) a commission as agreed between them in respect of Securities subscribed by it. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the applicable Final Terms.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

France

Each Dealer and the Issuer has represented and agreed that:

- (a) with regard to an offer to the public in France, it has only made and will only make an offer of Securities to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the *Autorité des marchés financiers* (AMF), on the date of its publication or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) with regard to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the applicable Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French *Code monétaire et financier*.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in 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 under the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the relevant Agent, or in the case of Securities issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has further represented and agreed, and each further Dealer appointed pursuant to the Programme will be required to represent and agree that neither it, nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S with respect to any Securities. Each Dealer has further agreed that it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to,

or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed pursuant to the Programme will be required to represent and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed pursuant to the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to ‘professional investors’ as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a ‘prospectus’ as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be

disposed of only to persons outside Hong Kong or only to ‘professional investors’ as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

Taiwan

The Securities may not be offered or sold in Taiwan through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan. The Securities may only be made available for purchase outside of Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Securities.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be circulated or distributed, nor may Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Securities, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred for 6 months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the Securities and Futures Act except:
 - (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
 - (ii) where no consideration is given for the transfer; or
 - (iii) where the transfer is by operation of law.

Korea

Each Dealer has represented and agreed that Securities have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake to ensure that any securities dealer to which it sells Securities confirms that it is purchasing such Securities as principal and agrees with such Dealer that it will comply with the restrictions described above.

Macau

The Securities may only be promoted, distributed, sold or delivered in the Macau Special Administrative Region of the People's Republic of China (**Macau**), or any document relating to the Securities be distributed or circulated in Macau by Macau licensed entities according to the Macau Financial System Act, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

China

Each Dealer has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Securities in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Securities. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the **PRC**) to any person to whom it is unlawful to make the offer or solicitation in the PRC. The Issuer does not represent that this Offering Circular may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, 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 any Securities or distribution of this document in the PRC. Accordingly, the Securities are not being offered or sold within the PRC by means of this Offering Circular or any other document. Neither this Offering Circular nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

General

Each Dealer has agreed and each further Dealer appointed pursuant to the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer or any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

1. Application has been made to Euronext Amsterdam for Securities issued pursuant to the Programme on or after the implementation of the Prospectus Directive in the Netherlands and up to the expiry of 12 months from the date of this Offering Circular to be admitted to trading on Euronext Amsterdam.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The Programme was authorised pursuant to a resolution of the Issuer passed on 16 September 2009.
3. Except as disclosed under 'Recent developments' on pages 334-335 of this Offering Circular, there has been no significant change in the financial or trading position of the Issuer since 31 December 2008 nor of the Group since 30 June 2009, and there has been no material adverse change in the financial position or prospects of the Issuer nor of the Group since 31 December 2008.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability.
5. The Securities have been accepted for clearance through the Euroclear Netherlands, Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN), and (where applicable) the identification number for any relevant clearing system for each Series of Securities will be set out in the applicable Final Terms. The address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam. The address of Euroclear Bank is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
6. For the period of 12 months following the date of this Offering Circular copies of the following documents will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the offices of the Paying Agents:
 - (a) the Agency Agreement (as amended and supplemented from time to time);
 - (b) the articles of association of the Issuer;
 - (c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2007 and 2008 (together with the explanatory notes, the auditor's report and the assurance report in respect thereof);
 - (d) the annual reports of Rabobank Group for the years ended 31 December 2007 and 2008;
 - (e) report of Rabobank Group for the year 2008; and
 - (f) a copy of this Offering Circular (together with any supplement including the Final Terms thereto).
7. For the period of 12 months following the date of this Offering Circular, copies of the latest annual consolidated accounts of Rabobank Group and the latest unaudited consolidated half yearly interim accounts of Rabobank Group may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Copies of the latest annual non-consolidated accounts of Rabobank Nederland may be obtained free of charge

at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Rabobank Nederland does not publish non-consolidated interim accounts.

8. Ernst & Young Accountants LLP, of which the 'Registeraccountants' are members of the Royal Netherlands Institute for Registeraccountants, has audited, and issued unqualified audit reports, on the financial statements of Rabobank Nederland for the years ended 31 December 2007 and 2008. Ernst & Young Accountants LLP has given its consent to the incorporation by reference of the financial statements of Rabobank Nederland. Ernst & Young Accountants LLP has no interest in Rabobank Nederland.
9. A copy of this Offering Circular has been, and a copy of each Final Terms will be filed, if required under applicable law, with the Netherlands Authority for the Financial Markets.
10. The Issuer is subject to corporate income tax.
11. The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue in accordance with prevailing market conditions.
12. The Issuer does not intend to provide any post-issuance information in relation to any issues of Securities constituting Derivative Securities (as such term is used in the Commission Regulation (EC) No.809/2004).

PRINCIPAL OFFICE OF THE ISSUER

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INDEPENDENT AUDITOR TO THE ISSUER

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