

## 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)*

#### **EUR 10,000,000,000 Structured Medium Term Note Programme Due from seven days to perpetuity**

Under the EUR 10,000,000,000 Structured Medium Term Note Programme described in this Offering Circular (the “**Programme**”), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or the “**Issuer**”) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue medium term notes (the “**Notes**”).

The Notes issued under this Programme may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 10,000,000,000 (or the equivalent in any other currencies). The Programme is, and Notes issued under it 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).

Bearer Notes for which TEFRA D is specified in the relevant Final Terms will be represented initially by a temporary global Note, without interest coupons, which will be deposited either (i) with a common depository for Euroclear and Clearstream, (ii) with Euroclear Netherlands, or (iii) as otherwise agreed between the Issuer and the relevant Dealer(s), as applicable, on or about the issue date of the relevant Notes. The temporary global Note will be exchangeable for definitive Notes in bearer form following the expiration of 40 days after the later of the commencement of the offering and the closing date, upon certification as to non-U.S. beneficial ownership as may be required by U.S. tax laws and regulations, as described under “Form of the Notes”.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors” on pages 11 – 27.**

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 21 December 2009. Application may be made for Notes 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 Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to a regulated market. In addition, Notes may be listed or admitted to trading, as the case may be, on any other stock exchange or market and unlisted Notes may also be issued pursuant to the Programme. The applicable final terms to this Offering Circular (the “**Final Terms**”) in respect of the issue of any Notes will specify whether such Notes will be listed on Euronext Amsterdam (or any other stock exchange) or whether the Notes will not be listed. In relation to each separate issue of Notes, the price and amount of such Notes 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 Notes and will be set out in the relevant Final Terms.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes 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 Notes.

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

Any U.S. federal tax discussion in this Offering Circular was not intended or written to be used, and cannot be used, by any taxpayer for purposes of avoiding U.S. federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Notes to be issued or sold pursuant to this Offering Circular. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax adviser.

Notwithstanding anything herein to the contrary, from the commencement of discussions with respect to any transaction contemplated by this Offering Circular, all persons may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any transaction contemplated by this Offering Circular and all materials of any kind (including opinions and other tax analyses) that are provided to such persons relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause any offering pursuant to the Programme not to be in compliance with securities laws. For purposes of this paragraph, the tax treatment of a transaction is the purported or claimed U.S. federal income tax treatment of that transaction and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of that transaction.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Dealer(s) to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) in the case of Notes in registered form, or as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and regulations thereunder in the case of Notes in bearer form). Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to “qualified institutional buyers” in reliance on Rule 144A under the Securities Act (“**Rule 144A**”). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “Form of the Notes” for a description of the manner in which Notes will be issued. Registered Notes, and Notes in bearer form that are subject to U.S. tax law requirements, are subject to certain restrictions on transfer (see “Transfer Restrictions” and “Subscription and Sale”).

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

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

This Offering Circular supersedes and replaces the offering circular dated 22 December 2008 as supplemented by the supplemental offering circulars dated 23 October 2009 and 8 December 2009.

*Dealer*

***RABOBANK INTERNATIONAL***

The date of this Offering Circular is 21 December 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 Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. The Issuer has no civil liability in respect of this summary, unless 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 Notes below shall have the same meanings in this summary.*

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

**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 comprising 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, Rabobank Group follows an “Allfinanz” concept, meaning that it provides an integrated range of financial services primarily comprising 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, Rabobank Group operated in the Netherlands through 152 Local Rabobanks, more than 1,100 branches of Local Rabobanks and more than 3,000 cash-dispensing machines.

Rabobank's current long-term deposit and senior unsecured rating from Moody's and counterparty credit rating from S&P are Aaa and AAA respectively.

At 30 June 2009, 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 per cent. In the first half of 2009, Rabobank Group's efficiency ratio was 59.1 per cent., and the return on equity, or net profit expressed as a percentage of core capital, was 8.7 per cent. In the first half of 2009, Rabobank Group realised an 18 per cent. decrease in net profit to € 1.3 billion and a RAROC (Risk-Adjusted Return On Capital) of 11.8 per cent. after tax. At 30 June 2009, Rabobank Group had 60,490 full-time employees.

**Description:** Structured Medium Term Note Programme

**Date:** 21 December 2009

**Size:** Up to EUR 10,000,000,000 aggregate nominal amount of Notes outstanding at any one time.

**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 (Global) Notes are or will be deposited with Euroclear, Clearstream or DTC or (ii) the Euroclear Netherlands Fiscal Agent if the (Global) Notes are or will be solely deposited with Euroclear Netherlands.

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

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

**Form of Notes:** The Notes of each Tranche of each Series (as defined herein) to be issued in bearer form ("**Bearer Notes**") will initially be represented by a temporary global note in bearer form, without interest coupons (each a "**Temporary Global Note**"). Temporary Global Notes will be deposited on the issue date either with (a) a common depositary on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream**") or (b) the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") or (c) such other clearing system as may be selected by the Issuer or agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). Interests in Temporary Global Notes will be exchangeable for interests in permanent global notes (each a "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") or, if so stated in the relevant Final Terms, definitive notes ("**Definitive Notes**"), after the date falling 40 days after the completion of the distribution of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "Form of the Notes".

The Notes of each Tranche of each Series to be issued in registered form ("**Registered Notes**") which are sold in the United States to "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A will initially be represented by a permanent registered global certificate (each a "**Global Certificate**") without

interest coupons, which may be deposited on the issue date (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Tranche intended to be cleared through The Depository Trust Company (“DTC”), with a custodian for, and registered in the name of a nominee of, DTC and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or DTC, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer(s).

Beneficial interests in Global Certificates held by Euroclear, Clearstream and/or DTC will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and/or DTC and its participants. See “Clearing and Settlement”.

Interests in Global Certificates may be exchanged for individual certificates (“**Definitive Certificates**” and together with Global Certificates, “**Certificates**”) in certain limited circumstances. See “Form of the Notes” and “Clearing and Settlement”.

**Clearing Systems:** Euroclear, Clearstream, Euroclear Netherlands, DTC 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, Notes 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. Notes may be issued with any maturity between seven days and perpetuity.

**Denomination:** Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and will be specified in the relevant Final Terms. Definitive Notes will be in such denominations as may be specified in the relevant Final Terms. Registered Notes will be in amounts of the denomination or integral multiples thereof specified in the relevant Final Terms. Additionally unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Service and Markets Act 2000 will have a minimum denomination of GBP 100,000 (or its equivalent). Definitive Certificates will only be available in amounts of USD 100,000 (or its equivalent in Specified Currency rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of USD 1,000.

**Protection Amount:** The relevant Final Terms will indicate whether a Protection Amount is applicable to the relevant Notes. If applicable, the Notes will, subject to the relevant Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the nominal amount of such Notes as set forth in the relevant Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date upon the occurrence of, among others, a Tax Call, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default.

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

**Floating Rate Notes:** Floating Rate Notes 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 relevant 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 Notes.

**Zero Coupon Notes:** Zero Coupon Notes will bear no interest, unless specified otherwise in the relevant Final Terms, will be issued at a discount to their principal amount and will be redeemed as agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms.

### **Currency Linked Notes:**

*Currency Linked Interest Notes:* Payments of interest in respect of Currency Linked Interest Notes 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 relevant Final Terms and/or the Schedule thereto.

*Currency Linked Redemption Notes:* Payments of principal in respect of Currency Linked Redemption Notes 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 relevant Final Terms and/or the Schedule thereto.

### **Commodity Linked Notes:**

*Commodity Linked Interest Notes:* Payments of interest in respect of Commodity Linked Interest Notes 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 relevant Final Terms and/or the Schedule thereto.

*Commodity Linked Redemption Notes:* Payments of principal in respect of Commodity Linked Redemption Notes 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 relevant Final Terms and/or the Schedule thereto.

### **Index Linked Notes:**

*Index Linked Interest Notes:* Payments of interest in respect of Index Linked Interest Notes 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 relevant Final Terms and/or Schedule thereto.

*Index Linked Redemption Notes:* Payments of principal in respect of Index Linked Redemption Notes 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 relevant Final Terms and/or Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

If an Index Adjustment Event or Additional Disruption Event occurs, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

### **Equity Linked Notes:**

*Equity Linked Interest Notes:* Payments of interest in respect of Equity Linked Interest Notes 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 relevant Final Terms and/or the Schedule thereto.

*Equity Linked Redemption Notes:* Payments of principal in respect of Equity Linked Redemption Notes 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 relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms. Equity Linked Redemption Notes may also provide that redemption will be by physical delivery of the Asset Amount as more fully set out under “Terms and Conditions of the Notes”.

If a Potential Adjustment Event and/or Delisting and/or Merger Event and/or Tender Offer and/or Nationalisation and/or Insolvency and/or Additional Disruption Event occurs and/or an adjustment is required in respect of Equities quoted in European Currencies, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

### **Fund Linked Notes:**

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

*Fund Linked Redemption Notes:* Payments of principal in respect of Fund Linked Redemption Notes 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 relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

If a Trigger Event occurs, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

### **Credit Linked Notes:**

*Credit Linked Interest Notes:* Payment of interest in respect of Credit Linked Interest Notes will be calculated and made by reference to the credit of a specified entity or entities, or to certain events that could occur with respect to such specified entity or entities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms and/or the Schedule thereto or, if not specified, as defined in the Terms and Conditions of the Notes.

*Credit Linked Redemption Notes:* Payment of principal in respect of Credit Linked Redemption Notes will be calculated and made by reference to the credit of a specified entity or entities, or to certain events that could occur with respect to such specified entity or entities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms and/or the Schedule thereto. If Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer will redeem the Notes at the Credit Event Redemption Amount, if Cash Settlement is specified in the relevant Final Terms, or by



Delivery of the Deliverable Obligations comprising the Asset Amount, if Physical Delivery is specified in the relevant Final Terms, as more fully set out under “Terms and Conditions of the Notes”.

**Dual Currency Notes:**

*Dual Currency Interest Notes:* Payments of interest in respect of Dual Currency Interest Notes will be made in such currencies and based on such rates of exchange on such terms as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms and/or the Schedule thereto or, if not so specified, as defined in the Terms and Conditions of the Notes and specified in the relevant Final Terms and/or Schedule thereto.

*Dual Currency Redemption Notes:* Payments of principal in respect of Dual Currency Redemption Notes will be made in such currencies and based on such rates of exchange on such terms as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms and/or the Schedule thereto.

**Other provisions in relation to Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes:**

Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes may also have a maximum interest rate, a minimum interest rate or both as specified in the relevant Final Terms.

Interest on Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms.

**Early Redemption:** The relevant Final Terms will indicate that the relevant Notes cannot be redeemed prior to their stated Maturity Date (other than in specified instalments, if applicable, or following a Tax Call, an Event of Default, an Index Adjustment Event, a Potential Adjustment Event, an Additional Disruption Event or such other events as specified in the relevant Final Terms).

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

**Instalment Notes:** The relevant Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are specified in the relevant Final Terms.

**Partly Paid Notes:** The relevant Final Terms may provide that the Issue Price of such Notes may be payable in two or more instalments on such dates as specified in the relevant Final Terms.

**Status of Notes:** The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in “Terms and Conditions of the Notes – Status of the Notes”. However, subordinated Notes may be issued pursuant to the Programme. In such event, the relevant Final Terms will contain the details of such subordination.

**Cross Default:** See “Terms and Conditions of the Notes – Events of Default”.

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

**Taxation:** Rabobank Nederland is a Dutch resident for tax purposes. For the Dutch, Belgian, Luxembourg and U.S. tax consequences for the Noteholders, see “Taxation”.

**Effective yield:** The effective yield, if applicable, as per the first day of issue of a series of Notes will be set out in the relevant Final Terms.

**Governing Law:** Dutch law.

**Listing and admission to trading:** Application may be made to Euronext Amsterdam for Notes 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 Notes may also be listed on such other stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The relevant Final Terms will state whether or not the Notes are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange and/or market.

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

In the case of a distribution under Rule 144A, Notes will only be issued in registered form, as defined in U.S. Temp. Treas. Reg. §5f.103-1(c).

**Transfer Restrictions:** There are restrictions on the transfer of Registered Notes offered and sold pursuant to Rule 144A. See “Transfer Restrictions”.

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

**Risk Factors:** The purchase of Notes 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 Notes. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor in the Notes should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes 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 Notes 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 and operational risks. Material risks relating to the structure of particular issuances of Notes may (depending on the terms of the particular issue) include that the market price of the Notes may be volatile, the Notes may not pay interest or the payment of interest may depend on the market value of other securities, payment of principal or interest may occur at a different time or in a different currency other than expected and payment of principal may be in an amount less than the nominal amount of the Notes or even zero. Please see “Risk Factors” below. The relevant Final Terms may also contain additional risk warnings.

## RISK FACTORS

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

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

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

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

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

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

can fully meet its obligations. 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 well-considered 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.

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

### ***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<sup>1</sup>, while 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 Rabobank Group's other major markets could further increase Rabobank Group's bad debt costs, which could have a material adverse effect on Rabobank Group's results of operations.

### ***Country risk***

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

<sup>1</sup> One basis point is 0.01 per cent.

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

At Rabobank Group level, the country risk outstanding, including additional capital requirements and provisions for country risks, is reported every quarter to Rabobank Group's Balance Sheet and Risk Management Committee (the "**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 per cent. (2007: 1.2 per cent.).

### ***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 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 rates 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 in "normal" market conditions. The level of the Value at Risk reflects market developments and the positions taken by 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 Rabobank Group's trading portfolio is affected by the factors above. A deterioration in the value of Rabobank Group's trading portfolio could have a material adverse effect on Rabobank Group's result 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<sup>2</sup> 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 understood to mean "the risk of losses resulting from failure of internal processes, people or systems or from external events". Events of recent decades in modern international banking have shown on several occasions that ineffective control of operational risks can lead to substantial losses. Under the Basel II accord, banks must hold capital for this risk. Examples of operational risk incidents are highly diverse: fraud, claims relating to inadequate products, losses due to poor occupational health and safety conditions, errors in transaction processing, non-compliance with the law and system failures.

### ***Legal risk***

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

### ***Tax risk***

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

### ***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.

<sup>2</sup> Translation risk is the risk that exists when assets or liabilities are denominated in a currency deviating from the presentation currency.

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

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

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

### ***Rabobank Group is subject to capital requirements that could limit its operations***

Rabobank Group is subject to capital adequacy guidelines pursuant to the Dutch Financial Supervision Act, which provide for a minimum ratio of total capital to risk-adjusted assets. At least half of the total capital must be maintained in the form of Tier 1 Capital. Rabobank Group's failure to maintain its ratios may result in administrative actions or sanctions against it which may impact Rabobank Group's ability to fulfil its obligations under the Notes.

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

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

Each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes 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 Notes and the impact the Notes 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 Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes 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 Notes 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 Notes should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***No interest may be payable under the Notes***

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

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

#### **Risks related to the structure of a particular issue of Notes**

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

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

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes 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 Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 Notes 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.

#### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes 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 Notes 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 Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### ***Inverse Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.



### ***Currency Linked Notes***

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

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

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

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

### ***Commodity Linked Notes***

The Issuer may issue Notes where the amount of principal 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 Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a time other 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 principal 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 commodity or commodities on principal, interest payable or the amount of specified assets deliverable will be magnified.

The market price of such Notes 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 Notes, Equity Linked Notes and Dual Currency Notes***

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, changes in the prices of securities, movements in currency exchange rates or to other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies

which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest or delivery of any specified assets (if applicable) may occur at a different time or in a currency other than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable or the amount of specified assets deliverable (if applicable) will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

*No recourse to or claim against any Equity Issuer*

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

*Notes linked to ADRs or GDRs*

An investment in Notes linked to American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts (“**GDRs**”) (ADRs and GDRs, together, “**Depositary Receipts**”) entails significant risks in addition to those associated with Equity Linked Notes and with investments in a conventional debt security. There are important differences between the rights of holders of Depositary Receipts and the rights of holders of the Equity Issuer represented by such Depositary Receipts. A Depositary Receipt is a security that represents capital stock of the relevant Underlying Equity Issuer. The relevant deposit agreement for the Depositary Receipt sets forth the rights and responsibilities of the depositary (being the issuer of the Depositary Receipt), the Underlying Equity Issuer and holders of the Depositary Receipts which may be different from the rights of holders of the Underlying Equities.

The legal owner of the Underlying Equities is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the Underlying Equities. Particularly in the event that the custodian bank becomes insolvent or that enforcement measures are taken against the custodian bank, it is possible that an order restricting free disposition could be issued with respect to the Underlying Equities or that such shares are realised within the framework of an enforcement measure against the custodian bank. If this is the case, the holder of the Depositary Receipt loses their rights under the Underlying Equities and the Notes would become worthless.

Adjustment to the terms and conditions or replacement of the Underlying Equities following certain corporate events in relation to the Underlying Equities may materially and adversely affect the value of the Notes.

#### *Settlement Disruption Events*

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

#### *Failure to Deliver*

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

#### ***Fund Linked Notes***

##### *General*

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

Potential investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (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 a Fund Interest Unit 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 a Fund Interest Unit 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 a Fund Interest Unit, the greater the effect on yield.

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

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 include<sup>3</sup>:

<sup>3</sup> Other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

- (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 Notes 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 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.

#### *Changing value*

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

The market price of a Fund Interest Unit in the Reference Fund may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of a Fund Interest Unit and may be affected by the performance of the fund service providers, and in particular the investment adviser. The price of a Fund Interest Unit may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Interest Unit may be traded).

*Prospective purchasers of the Notes have no rights with respect to the Reference Fund or Fund Interest Units in the Reference Fund*

A prospective purchaser of Notes 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 Notes is any form of investment recommendation or advice by any of the Issuer, any Agent or any of their respective affiliates.

*Notes may have a Protection Amount but such Protection Amount applies only on the Maturity Date*

Prospective investors should note that the Notes may have a minimum redemption amount at maturity called the Protection Amount. There can be no assurance that the Notes will redeem above the minimum redemption amount. The return on the Notes will depend on the performance of the Reference Fund. If the Reference Fund does not perform in line with an investor's view of expectations over the term of the Notes, such an investor in the Notes will not receive any return on its capital and may suffer a loss. Furthermore, such an investor may have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Notes are redeemed early by the Issuer, investors in the Notes may not be repaid the amount originally invested by them in the Notes.

*Notes may not be principal protected*

The investor should note that the Notes 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 Notes are exposed to full loss of principal.

*Leverage*

Prospective investors should note that the Notes 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 the value of the underlying. If the interest in an underlying increases, the current leverage (i.e. the allocation of notional investments in the underlying to the Fund Component) may increase and thus increase participation in any further rises in value of the Fund Component. Using the Cash Loan, the allocation to the Fund Component can be increased up to a specified maximum of an amount. If the interest in an underlying falls, to the extent the Cash Loan has been used, the underlying will have a leveraged and, therefore, magnified exposure to such fall, which may cause a proportionately higher loss of yield to an investor in a declining market.

*Effect of reduction in leverage*

Prospective investors should note that while a reduction in allocation to the Fund Component and reduction of the Cash Loan will protect an investor against reduced performance of the Reference Fund at the time such allocation adjustment is made, should the performance of the shares in the Reference Fund subsequently improve it will not be possible for an investor to take a corresponding advantage unless and until there is a subsequent allocation adjustment between the Cash Component and the Fund Component, which may only

happen at prescribed intervals and is subject to delays reflecting the notional liquidity of the Shares in the Reference Fund.

#### *Early maturity*

Prospective investors should understand that, if a Removal Event is applicable, on the occurrence of any of the Removal Events, the Calculation Agent may redeem the Notes early.

#### ***Credit Linked Notes***

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity (the “**Reference Entity**”) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer’s obligation is to deliver certain specified assets.

Potential investors in any such Notes should be aware that depending on the terms of the Credit Linked Notes (i) they may receive no or a limited amount of interest or principal, (ii) payment of principal or interest or delivery of any specified assets may occur at a time other than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such Notes may be volatile and will be affected by, among other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver them on the Settlement Date or (b) assets which the Issuer and/or any Affiliate has not received under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer’s obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and, as a result, the amount of principal payable on redemption. Prospective purchasers should review the Terms and Conditions of the Notes and the relevant Final Terms to ascertain whether and how such provisions should apply to the Notes.

The Issuer’s obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Issuer’s and/or any Affiliates’ credit exposure to a Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

#### ***Partly paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment when due could result in an investor losing all of its investment.

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

Notes 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.

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

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

### **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally<sup>4</sup>:

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

A Note will not represent a claim against any item (a “**Reference Item**”) to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes 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 Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Reference Item.

***An investment in Notes linked to one or more Reference Items may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section<sup>5</sup>. The amount paid or value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, 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 Notes, 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 Notes and which could be adverse to the interests of the relevant Noteholders.

#### ***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 Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable on redemption of the Notes.

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 Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer(s) to disclose to Noteholders any such information.

<sup>4</sup> Other risks may exist that are currently not known or that, based on today’s knowledge, are not deemed to be material enough to be included in this section.

<sup>5</sup> Other risks may exist that are currently not known or that, based on today’s knowledge, are not deemed to be material enough to be included in this section.

The 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 Noteholder.

***The Issuer's obligations under Subordinated Notes are subordinated***

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of senior creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

***Modification, waivers and substitution***

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

The Terms and Conditions of the Notes 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 Notes, Receipts and Coupons, to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, consent. The Terms and Conditions of the Notes also provide for the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16(c) of the Notes.

***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") (see "Taxation – EU Savings Directive" below), EC Member States are required, from 1 July 2005, to provide to the tax authorities of another EC Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other 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).

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

In addition, the EC Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an EC Member State to, or collected by such a person for, an individual resident in one of those territories. If, following implementation of the Savings Directive, a payment were to be made or collected through an EC Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following



implementation of the Savings Directive, the Issuer will be required to maintain a Paying Agent in an EC Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

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

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

### ***Bearer Notes where denominations involve integral multiples: definitive bearer Notes***

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Book-Entry Interests***

The Registered Notes may be represented by one or more Global Certificates. The Global Certificates will be deposited with a custodian on behalf of DTC or its nominee. Except in limited circumstances, holders will not be entitled to receive certificated notes. DTC will maintain records of the beneficial interests in the Global Certificates. Holders will be able to trade their beneficial interests only through DTC or a participant of DTC. The laws of some jurisdictions, including some states in the United States, may require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations may impair a holder's ability to own, transfer or pledge its beneficial interests. A holder of beneficial interests in the Global Certificates in one of these jurisdictions will not be considered the owner or "holder" of the notes.

The Issuer will discharge its payment obligations under the Registered Notes by making payments to the custodian for distribution to the holders of beneficial interests at DTC or a participant of DTC with respect to interests of indirect participants. The Issuer and the initial purchasers of the Registered Notes will not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. A holder of beneficial interests must rely on the procedures of DTC or DTC's participants, through which holders hold their interests, to receive payments under the Registered Notes. The Issuer cannot assure holders that the procedures of DTC or DTC's nominees, participants or indirect participants will be adequate to ensure that holders receive payments in a timely manner.

A holder of beneficial interests in the Global Certificates will not have a direct right under the covenant governing these notes to act upon solicitations the Issuer may request. Instead, holders will be permitted to act only to the extent they receive appropriate proxies to do so from DTC or, if applicable, DTC's participants or indirect participants. Similarly, if the Issuer defaults on its obligations under the Registered Notes, as a holder of beneficial interests in the Global Certificates, holders will be restricted to acting through DTC or, if

applicable, DTC's participants or indirect participants. The Issuer cannot assure holders that the procedures of DTC or DTC's nominees, participants or indirect participants will be adequate to allow them to exercise their rights under the Registered Notes in a timely manner.

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk<sup>6</sup>:

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

Notes 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 Notes 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 Notes 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 Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Notes 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 Notes may be adversely affected.

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

The Issuer will pay principal and interest on the Notes 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 Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

#### ***Interest rate risks***

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

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

One or more independent credit rating agencies may assign credit ratings to the Notes. 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 Notes. 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.

<sup>6</sup> Other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

***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) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes 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:

- (a) the Terms and Conditions of Notes as set forth in the offering circular of the Issuer’s predecessor, Rabo Securities N.V., dated 19 August 2002, 16 August 2003 and 2 August 2004, in respect of Notes (e.g. second and further tranche issues) if such Notes are to be consolidated and form a single series with aforementioned notes;
- (b) the Terms and Conditions of Notes as set forth in the offering circular of the Issuer, dated 1 July 2005, 27 December 2005, 22 December 2006, 24 December 2007 and 22 December 2008, in respect of Notes (e.g. second and further tranche issues) if such Notes are to be consolidated and form a single series with aforementioned notes;
- (c) 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;
- (d) 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 reports in respect thereof and the assurance report included therein;
- (e) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2009 and the review report on the condensed consolidated interim financial information in respect thereof; and
- (f) the most recent articles of association of the Issuer.

Any statement contained in this Offering Circular or in any of the documents incorporated by reference in, and forming part of, this Offering Circular shall be 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 Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes.

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

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

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

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and (in the case of Registered Notes) within the United States to QIBs as defined in, and in reliance on, Rule 144A. Prospective purchasers are hereby notified that sellers of Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Offering Circular or any Final Terms or any other offering material relating to the Notes, see “Subscription and Sale” and “Transfer Restrictions”.

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

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 Notes. 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 Notes.

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 Notes 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 Notes 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 Notes should purchase any Notes. Each investor contemplating purchasing any Notes 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 Notes (see “Risk Factors”).

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes 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 Notes.

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes 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 Notes 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 Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the relevant Final Terms, no action has been taken by the Issuer or the Dealer(s) which would permit a public offering of any Notes outside the Netherlands or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes 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 Notes. See “Subscription and Sale”.

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) in the following sentence may apply, any offer of Notes 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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by Final Terms in relation to the offer of those Notes 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 Notes 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 2007 or the interim report of Rabobank Group for the year 2008, unless stated otherwise.

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

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

In connection with the issue of any Tranche of Notes, the Dealer(s) (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (RSA) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED

IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **Available information under Rule 144A**

The Issuer has agreed that, for so long as any Notes issued by it are “**restricted securities**” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Issuer is not, nor does it intend to become, a reporting company under Section 13 or Section 15(d) of the Exchange Act. Any such request for information should be directed to the Issuer at its office set out at the end of this Offering Circular.

#### **Forward-looking statements**

This Offering Circular includes “**forward-looking statements**” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Issuer’s products), are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future.

The important factors that could cause the Issuer’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes or downturns in the Dutch economy or the economies in other countries in which the Issuer conducts business and the impact of fluctuations in foreign exchange rates and interest rates.

These forward-looking statements speak only as of the date of this Offering Circular. Other than as required by law or the rules and regulations of the relevant stock exchange, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

#### **Service of process and enforcement of civil liabilities**

The Issuer is a corporation organised under the laws of the Netherlands. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Netherlands upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Netherlands predicated upon civil liabilities of the



Issuer or such directors and officers under laws other than the laws of the Netherlands, including any judgment predicated upon United States federal securities laws or the securities laws of any State or territory within the United States.

## GENERAL DESCRIPTION OF THE PROGRAMME

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

This Offering Circular (together with the relevant Final Terms, and supplements, if any) will be valid for unlisted Notes or for listing or admission to trading of Notes on Euronext Amsterdam or any other stock exchange during the period of twelve (12) months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued pursuant to the Programme, does not exceed EUR 10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued pursuant to the Programme from time to time:

- (a) the euro equivalent of Notes denominated in a Specified Currency other than euro (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank agreed between the Issuer and the relevant Dealer(s) on the relevant day of calculation;
- (b) the euro equivalent of Notes in respect of which no interest is due prior to the Maturity Date (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue; and
- (c) the euro equivalent of Dual Currency Notes (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes.

## FORM OF FINAL TERMS (LESS THAN EUR 50,000)

(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a **denomination of less than EUR 50,000** (or its equivalent in another currency).)

### FINAL TERMS

Date: [●]

### RABOBANK STRUCTURED PRODUCTS

**Issue of [aggregate nominal amount of Tranche] [Title of Notes] (the “Notes”) pursuant to the EUR 10,000,000,000 Structured Medium Term Note Programme**

[IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED BY THE ISSUER AT THE MATURITY DATE FOR LESS THAN THE PROTECTION AMOUNT, EXCEPT THAT IN THE EVENT OF INSOLVENCY OF THE ISSUER OR IN THE EVENT OF AN EARLY REDEMPTION PURSUANT TO TERMS AND CONDITIONS 5(b), 5(e), 5(h), [7(b)]<sup>1</sup>, [8(b)]<sup>2</sup>, [9(c)]<sup>3</sup> OR 14 THE NOTES MAY BE REDEEMED AT LESS THAN THE PROTECTION AMOUNT.]<sup>4</sup>

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

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes 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 Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

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

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

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes 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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no

<sup>1</sup> Insert if Index Linked Notes.

<sup>2</sup> Insert if Equity Linked Notes.

<sup>3</sup> Insert if Fund Linked Notes.

<sup>4</sup> Insert if Protection Amount is applicable.

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

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 Notes in any other circumstances].<sup>6</sup>

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 21 December 2009[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular[, as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular [and the offering circular supplement] [is] [are] available for viewing during normal business hours and may be obtained at Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands and [www.rabobank.nl](http://www.rabobank.nl).

*(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 18) was issued under an Offering Circular with an earlier date. Solely the Terms and Conditions in the Offering Circular with an earlier date should be inserted in the Schedule [●] to this document.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions as set out in Schedule [●] to this document. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated 21 December 2009[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Terms and Conditions which are replaced by the terms and conditions as set out in Schedule [●] to this document as extracted from the Offering Circular dated [insert original date]. Full information on the Issuer and the offer of the securities is only available on the basis of the combination of these Final Terms and the Offering Circular dated 21 December 2009[, as so supplemented], save for the Terms and Conditions, which are replaced by the terms and conditions as set out in Schedule [●] to this document. Copies of such Offering Circulars [and the offering circular supplement] are available for viewing during normal business hours and may be obtained at Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands and [www.rabobank.nl](http://www.rabobank.nl).]

*(The following alternative language applies if Notes are issued pursuant to Rule 144A.)*

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO

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

REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF NOTES REPRESENTED BY A GLOBAL CERTIFICATE.]

References herein to numbered conditions are to the Terms and Conditions of the Notes.

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

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

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

*The purchase of Notes 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 Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in these Final Terms and the Offering Circular, as supplemented from time to time.*

[A [Dutch] language description of the principal terms of the Notes is contained in Annex I hereto.]

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

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

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Issuer:                           | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)   |
| 2. | (a) Series Number:                | [●]   |
|    | (b) Tranche Number:               | [●]   |
|    |                                   | <i>(If fungible with an existing Tranche insert:)</i><br>[The Notes issued pursuant to these Final Terms will be consolidated and form a single series with [●] <i>(insert title of original Notes)</i> (the “ <b>Tranche 1 Notes</b> ”), issued pursuant to the Final Terms dated [●], with effect from [●] <i>(insert the Issue Date)</i> /[●] <i>(insert a date no earlier than 40 days after the Issue Date of Tranche 2 Notes)</i> ] |
| 3. | Specified Currency or Currencies: | [●]   |

4. Aggregate nominal amount: [●]
- (The aggregate nominal amount of the Notes will depend on the amount of Notes subscribed for during the Offer Period. Any increase or decrease will be published as soon as practicable after the Offer Period (as further set out in paragraph 14 of Part B))*
- (a) Series: [●]
- (b) Tranche: [●]
5. Issue Price of Tranche: [●] per cent. [of the aggregate nominal amount provided that the Issue Price will depend on general market conditions subsequent to the end of the Offer Period and will be published as soon as practicable after the Offer Period]/[plus accrued interest from [●] (insert date) (if applicable)]
6. (a) Specified Denominations: [●]
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the € [1,000] minimum denomination is not required)*
- (Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum denomination of £ 100,000 (or its equivalent in other Specified Currencies))*
- (b) Calculation Amount: [●]
- (If there is only one Specified Denomination, insert that Specified Denomination.)*
- (If there is more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [[●] (specify)]/The Issue Date/Not Applicable]

8. Maturity Date or Redemption Month: [●]  
 [Fixed Rate - [●] (*Specify date*)]  
 [Floating Rate - Interest Payment Date falling in or nearest to [●] (*Specify month*)] (the “**Scheduled Maturity Date**”) [subject as provided in [Condition 10(d)] [./and] [Condition 10(e)] [and] [Condition 10(f)] (*Include for Credit Linked Notes*)] (*In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event*)
9. Interest Basis: [[●] per cent. Fixed Rate]/  
 [[LIBOR/EURIBOR/[●] (*Specify other*)] +/-][●] per cent. Floating Rate]/  
 [Zero Coupon]/  
 [Currency Linked Interest]/  
 [Commodity Linked Interest]/  
 [Equity Linked Interest]/  
 [Index Linked Interest]/  
 [Credit Linked Interest]/  
 [Fund Linked Interest]/  
 [Dual Currency Interest]/  
 [Non-interest bearing]/  
 [[●] (*Specify other*)]  
 (*Further particulars specified below*)
10. (a) Redemption/Payment Basis: [Redemption at par]/  
 [Currency Linked Redemption]/  
 [Commodity Linked Redemption]/  
 [Equity Linked Redemption]/  
 [Index Linked Redemption]/  
 [Credit Linked Redemption]/  
 [Fund Linked Redemption]/  
 [Dual Currency Redemption]/  
 [Partly Paid]/  
 [Instalment]/  
 [[●] (*Specify other*)]
- (b) Protection Amount: [Principal Protection/[●] per cent. of the Specified Denomination/Not Applicable]
11. Change of Interest Basis or Redemption/Payment Basis: [[●] (*Give details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*)/Not Applicable]
12. Investor Put/Issuer Call/Obligatory Redemption: [Investor Put/Issuer Call/Obligatory Redemption/Not Applicable]  
 (*Further particulars specified below*)

13. (a) Status of the Notes: [Senior and unsecured/Subordinated (*Give details*)]
- (b) Domestic Note: [No/Yes]  
(if Domestic Note, there will be no gross-up for withholding tax)
- (c) Date of approval for issuance of Notes: [●]
14. Method of distribution: [Syndicated/Non-Syndicated]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

### FIXED RATE NOTE PROVISIONS

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/[●] (*Specify other*)] in arrear]
- (b) Interest Payment Date(s): [●] in each year
- (c) Determination Date(s): [●] in each year  
  
(Insert regular interest payment dates, ignoring the Issue Date and the Maturity Date in the case of a long or short first or last coupon)  
(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)  
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (d) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)/Not Applicable]
- (e) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (f) Fixed Coupon Amount(s): [●] per Calculation Amount
- (g) Broken Amount(s): [[●] (*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount and the Interest Payment Dates to which they relate*)/Not Applicable]
- (h) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/



[30/360]/  
 [30E/360]/  
 [30E/360 (ISDA)]/  
 [Actual/Actual (ISMA)]/  
 [Actual/Actual (ISDA)]/  
 [Other]

- (i) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/[•] (Give details)]

## FLOATING RATE NOTE PROVISIONS

16. Floating Rate Note Provisions: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Specified Period(s): [•]
- (b) Specified Interest Payment Date(s): [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[•] (Specify other)]
- (d) Additional Financial Centre(s): [[•] (Give details)/Not Applicable]
- (e) Manner in which the Rate(s) of Interest and/or Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/[•] (Specify other)]
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Reference Rate: [•]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
- (ii) Interest Determination Date(s): [•]  
*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than euro (LIBOR)) and the second day on which the TARGET 2 is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- (iii) Relevant Screen Page: [•]  
*(In the case of EURIBOR, if not Reuters EURIBOR 01, ensure it is a page which shows a composite rate)*

*or amend the fallback provisions appropriately)*

- (g) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Floating Rate Option: [●]
- (ii) Designated Maturity: [●]
- (iii) Reset Date: [●]
- (iv) ISDA Definitions *(if different from those set out in the Terms and Conditions)*: [●]
- (h) Margin(s): [[+/-][●] per cent. per annum/ Not Applicable]
- (i) Minimum Rate of Interest: [[●] per cent. per annum/ Not Applicable]
- (j) Maximum Rate of Interest: [[●] per cent. per annum/ Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (l) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions: [●]
- (m) Other terms or special conditions: [None/[●] (*Give details*)]

## **ZERO COUPON NOTE PROVISIONS**

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) [Amortisation/Accrual] Yield: [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Day Count Fraction in relation to Early [Conditions [Redemption and Purchase - Early

Redemption Amounts and Late Payment: Redemption Amounts] (c) and [- Late Payment on Zero Coupon Notes] apply/[●] (*Specify other*)

(*Consider applicable day count fraction if not U.S. dollar denominated*)

(d) Any formula/basis of determining amount payable: [●]

(e) Other terms or special conditions: [None/[●] (*Give details*)]

## CURRENCY LINKED INTEREST NOTE PROVISIONS

18. Currency Linked Interest Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(a) Relevant Currency/Currencies: [●]

(b) Base Currency: [●]

(c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*)/See Schedule]

(d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Currency or Currencies and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
(*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*)

(e) Specified Period(s)/Specified Interest Payment Date(s): [●]

(f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[●] (*Specify other*)]

(g) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]

(h) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]

(i) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]

(j) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/

[Actual/Actual (ISDA)]/  
[Other]

(k) Other terms or special conditions: [None/[•] (*Give details*)]

## COMMODITY LINKED INTEREST NOTE PROVISIONS

19. Commodity Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Commodity or a Basket of Commodities and identity of the relevant Commodity/Commodities: [Single Commodity/Basket of Commodities]  
[[•] (*Give details*)/See Schedule]
- (b) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[•] (*Give details*)/See Schedule]
- (c) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Commodity/Commodities and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (d) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[•] (*Specify other*)]
- (f) Additional Financial Centre(s): [[•] (*Give details*)/Not Applicable]
- (g) Minimum Rate of Interest: [[•] per cent. per annum/Not Applicable]
- (h) Maximum Rate of Interest: [[•] per cent. per annum/Not Applicable]
- (i) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (j) Other terms or special conditions: [None/[•] (*Give details*)]

## INDEX LINKED INTEREST NOTE PROVISIONS

20. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Index or a Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index: [Single Index/Basket of Indices]  
 Index/Indices: [[●]] (*Give details*) (Bloomberg® code [●])/See Schedule]  
 Multi-Exchange Index: [Applicable/Not Applicable]  
*(N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)*
- (b) Name of Index Sponsor(s): [●]
- (c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [●]
- (d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Index/Indices and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (e) Additional Disruption Events: [Applicable/Not Applicable]  
*(If applicable, specify which of the following events are applicable)*  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [[●]] (*Specify other*)
- (f) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (g) Observation Period(s): [[●]] (*Give dates*)/Not Applicable]
- (h) Observation Date(s): [[●]] (*Give dates*)/Not Applicable]
- (i) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●]] (*Specify other*)
- (j) Additional Financial Centre(s): [[●]] (*Give details*)/Not Applicable]
- (k) Minimum Rate of Interest: [[●]] per cent. per annum/Not Applicable]

- (l) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (m) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (n) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]  
  
[Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]  
  
*(N.B. only applicable where Averaging Date(s) are specified)*
- (o) Valuation Time: [As set out in Condition 7(c)/[●] (*Specify other*)]
- (p) Disrupted Day: [Applicable/Not Applicable]
- (q) Trade Date: [●]
- (r) Exchange(s): [●]
- (s) Related Exchange(s): [All Exchanges/[●] (*Give details*)]
- (t) Others terms or special conditions: [None/[●] (*Give details*)]

## EQUITY LINKED INTEREST NOTE PROVISIONS

21. Equity Linked Interest Note Provisions: [Applicable/Not Applicable]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Equity or Basket of Equities and the identity of the relevant Equity Issuer(s) of the Equity/Equities: [Single Equity/Basket of Equities]  
  
*(If a Basket, give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs))*  
  
[(i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]  
  
(ii) Equity Issuer(s): [●] (Bloomberg® code [●])  
  
(iii) the ISIN/Common Code of Equity/Equities:

		[[●]/See Schedule]
(b)	Partial Lookthrough Depository Receipt Provisions:	[Applicable/Not Applicable] <i>(Applicable for Russian ADR/GDRs)</i>
(c)	Full Lookthrough Depository Receipt Provisions:	[Applicable/Not Applicable]
(d)	Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[[●] ( <i>Give details</i> )/See Schedule]
(e)	Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Equity/Equities and/or formula is impossible or impracticable:	[Applicable/Not Applicable] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions below)</i>
(f)	Additional Disruption Events:	[Applicable/Not Applicable] <i>(If applicable, specify which of the following events are applicable)</i> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [[●] ( <i>Specify other</i> )]
(g)	Specified Period(s)/Specified Interest Payment Date(s):	[●]
(h)	Observation Period(s):	[[●] ( <i>Give details</i> )/Not Applicable]
(i)	Observation Date(s):	[[●] ( <i>Give details</i> )/Not Applicable]
(j)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[●] ( <i>Specify other</i> )]
(k)	Additional Financial Centre(s):	[[●] ( <i>Give details</i> )/Not Applicable]
(l)	Minimum Rate of Interest:	[[●] per cent. per annum/Not Applicable]
(m)	Maximum Rate of Interest:	[[●] per cent. per annum/Not Applicable]
(n)	Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365 (Fixed)]/ [Actual/365 (Sterling)]/ [Actual/360]/ [30/360]/ [30E/360]/

- [30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (o) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]  
[Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]  
*(N.B. only applicable where Averaging Date(s) are specified)*
- (p) Valuation Time: [As set out in Condition 8(f)/[●] (*Specify other*)]
- (q) Disrupted Day: [Applicable/Not Applicable]
- (r) Trade Date: [●]
- (s) Exchange(s): [●]
- (t) Related Exchange(s): [All Exchanges]/[●]
- (u) Exchange Rate: [Applicable/Not Applicable] (*If applicable, insert details*)
- (v) Other terms or special conditions: [None/[●] (*Give details*)]

## CREDIT LINKED INTEREST NOTE PROVISIONS

22. Credit Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Reference Entity or Basket of Reference Entities and the identity of the relevant Reference Entity/Entities: [Single Reference Entity/Basket of Reference Entities]  
[[●] (*Give details*)/See Schedule]
- (b) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [●]
- (c) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Reference Entity/Entities and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (d) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[●]]



(Specify other)]

- (f) Additional Financial Centre(s): [[●] (Give details)/Not Applicable]
- (g) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (h) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (i) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (j) Others terms or special conditions: [None/[●] (Give details)]

#### FUND LINKED INTEREST NOTE PROVISIONS

23. Fund Linked Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Reference Fund or a Basket of Reference Funds and the identity of the relevant Reference Fund/Funds: [Single Reference Fund/Basket of Reference Funds]  
[[●] (ISIN: [●]) (Give details for each Reference Fund)/See Schedule]
- (b) Fund Interest Unit: The [●] (insert currency) class of the (shares/non-voting shares/participating shares/units) of the Reference Fund (ISIN: [●])
- (c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (Give details)/See Schedule]
- (d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Reference Fund(s) and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (e) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[●]]

(Specify other)]

- (g) Additional Financial Centre(s): [[•] (Give details)/Not Applicable]
- (h) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (i) Valuation Date(s)/Averaging Date(s): [[•] (Give details)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)
- (j) Disrupted Day: [Applicable/Not Applicable]
- (k) Fund Administrator: [[•] (Give details)/Not Applicable]
- (l) Fund Adviser: [[•] (Give details)/Not Applicable]
- (m) Fund Manager: [[•] (Give details)/Not Applicable]
- (n) Fund Service Provider: [[•] (Give details)/Not Applicable]
- (o) Other terms or special conditions: [None/[•] (Give details)]

## DUAL CURRENCY INTEREST NOTE PROVISIONS

24. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)
- (a) Rate(s) of Exchange/method of calculating Rate(s) of Exchange: [[•] (Give details)/See Schedule/Screen Page: [•]/Bloomberg®/Reuters]
- (b) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: [Applicable/Not Applicable]
- (If applicable, need to include a description of

*market disruption or settlement disruption events and adjustment provisions)*

- (c) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (d) Other terms or special conditions: [None/[•]] (*Give details*)

**PROVISIONS RELATING TO OPTIONAL REDEMPTION AND FINAL REDEMPTION AMOUNT**

25. Issuer Call: [Applicable/Not Applicable]  
(Condition 5(c))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount(s) of each [•]  
Note and method, if any, of calculation  
of such amount(s):
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [•]
- (ii) Higher Redemption Amount: [•]
- (d) Notice period (*if other than as set out in* [•]  
*the Terms and Conditions*):
26. Investor Put: [Applicable/Not Applicable]  
(Condition 5(d))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount of each [•]  
Note and method, if any, of calculation  
of such amount(s):
- (c) Notice period (*if other than as set out in* [•]  
*the Terms and Conditions*):
27. Obligatory Redemption: [Applicable/Not Applicable]  
(Condition 5(f))

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Obligatory Redemption Date(s): [●]

(b) Obligatory Redemption Amount of each Note and method, if any, of calculation of such amount(s): [●]

28. Final Redemption Amount of each Note: [[●] per Note/Par/[●] (*Specify other*)/See below/See Schedule/Not Applicable]

*(Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes)*

#### **CURRENCY LINKED REDEMPTION NOTE PROVISIONS**

29. Currency Linked Redemption Notes: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Relevant Currency or Currencies: [[●] (*Give details*)/See Schedule]

(b) Relevant provisions for determining the Final Redemption Amount: [●]

(c) Provisions for determining Final Redemption Amount where calculation by reference to the Currency/Currencies and/or formula is impossible: [●]

(d) Other terms or special conditions: [None/[●] (*Give details*)]

#### **COMMODITY LINKED REDEMPTION NOTE PROVISIONS**

30. Commodity Linked Redemption Notes: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Whether the Notes relate to a single Commodity or Basket of Commodities and identity of the relevant Commodity/Commodities: [Single Commodity/Basket of Commodities]  
[[●] (*Give details*)/See Schedule]

(b) Relevant provisions for determining the Final Redemption Amount: [●]

- (c) Provisions for determining Final Redemption Amount where calculation by reference to the Commodity/Commodities and/or formula is impossible: [●]
- (d) Other terms or special conditions: [None/[●] (*Give details*)]

## INDEX LINKED REDEMPTION NOTE PROVISIONS

31. Index Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Index or a Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index:
- [Single Index/Basket of Indices]
- Index/Indices: [[●] (*Give details*) (Bloomberg® code [●])/See Schedule]
- Multi-Exchange Index: [Applicable/Not Applicable]
- (N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)*
- (b) Name of Index Sponsor(s): [●]
- (c) Relevant provisions for determining the Final Redemption Amount: [●]
- (d) Observation Period(s): [[●] (*Give details*)/Not Applicable]
- (e) Observation Date(s): [[●] (*Give details*)/Not Applicable]
- (f) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)*
- (g) Valuation Time: [As set out in Condition 7(c)/[●] (*Specify other*)]
- (h) Disrupted Day: [Applicable/Not Applicable]
- (If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 7(c) and if not appropriate insert appropriate provisions)*
- (i) Multiplier for each Index comprising the [Applicable/Not Applicable]

- basket:
- (If applicable, insert details)*
- (j) Additional Disruption Events: [Applicable/Not Applicable]
- (If applicable specify which of the following events are applicable)*  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [[●] (Specify other)]
- (k) Trade Date: [●]
- (l) Exchange(s): [●]
- (m) Related Exchange(s): [All Exchanges]/[●]
- (n) Other terms or special conditions: [None/[●] (Give details)]

#### **EQUITY LINKED REDEMPTION NOTE PROVISIONS**

32. Equity Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Equity or a Basket of Equities and the identity of the relevant Equity Issuer(s) of the Equity/Equities): [Single Equity/Basket of Equities]
- (Give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs):)*
- [(i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]
- (ii) Equity Issuer(s): [●] (Bloomberg® code [●])
- (iii) ISIN/Common Code of the Equity/Equities: [[●]/[●]/See Schedule]
- (b) Partial Lookthrough Depository Receipt Provisions: [Applicable/Not Applicable]
- (Applicable for Russian ADR/GDRs)*
- (c) Full Lookthrough Depository Receipt Provisions: [Applicable/Not Applicable]
- (d) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
- (If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery*

*will apply)*

- (e) Relevant provisions for determining the Final Redemption Amount: [●]
- (f) Observation Period(s): [[●] (*Give details*)/Not Applicable]
- (g) Observation Date(s): [[●] (*Give details*)/Not Applicable]
- (h) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]  
*(N.B. only applicable where Averaging Date(s) are specified)*
- (i) Valuation Time: [As set out in Condition 8(f)/[●] (*Specify other*)]
- (j) Disrupted Day: [Applicable/Not Applicable]  
  
*(If applicable, consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions)*
- (k) Multiplier for each Equity comprising the Basket (which is subject to adjustment as set out in Condition 8(b)): [[●] (*Give details*)/Not Applicable]
- (l) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (m) Relevant Assets: *(Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)*
- (n) Asset Amount: *(Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)*
- (o) Cut-off Date: *(Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)*
- (p) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions: *(Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)*
- (q) Clearance System: *(Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)*
- (r) Additional Disruption Events: [Applicable/Not Applicable]

*(If applicable, specify which of the following events are applicable)*

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Insolvency Filing]

[[●] (*Specify other*)]

(s) Exchange(s): [●]

(t) Related Exchange(s): [All Exchanges]/[●]

(u) Exchange Rate: [Applicable/Not Applicable]

*(If applicable, insert details)*

(v) Other terms or special conditions: [None/[●] (*Give details*)]

## CREDIT LINKED REDEMPTION NOTE PROVISIONS

33. Credit Linked Redemption Notes: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]

(b) Relevant provisions for determining the Final Redemption Amount: [●]

(c) Valuation Date(s): [Single Valuation Date:  
[●] Business Days  
[Multiple Valuation Dates:  
[●] Business Days; and each [●] Business Days thereafter  
Number of Valuation Dates: [●]]]

(d) Valuation Time: [●]

(e) Calculation Agent City: [●]

(f) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)]/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]

(g) Reference Entity or Entities: [●]

(h) Reference Obligation or Obligations: [●]



- [The obligation(s) identified as follows: [●]
- Primary Obligor: [●]
- Guarantor: [●]
- Maturity: [●]
- Coupon: [●]
- CUSIP/ISIN: [●]
- (i) All Guarantees: [Applicable/Not Applicable]  
Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]
- (j) Credit Events: [Bankruptcy]  
[Failure to Pay]  
[Payment Requirement: [●]]  
[Grace Period Extension: Applicable/Not Applicable]  
[(If Applicable:) Grace Period: [●]]  
[Obligation Default]  
[Obligation Acceleration]  
[Repudiation/Moratorium]  
[Restructuring]  
– Provisions relating to Multiple Holder Obligation: Condition 10(l) [Applicable/Not Applicable]  
– Provisions relating to Restructuring Credit Event: Condition 10(k) [Applicable/Not Applicable]  
– Provisions relating to Repudiation/Moratorium Extension: Condition 10(d) [Applicable/Not Applicable]  
– [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]  
– [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]  
  
[Other]
- Default Requirement: [●]
- (k) Conditions to Settlement: Notice of Publicly Available Information [Applicable/Not Applicable]  
  
(If Applicable:) [Public Source(s): [●]]

	Specified Number: [●]
(l) Obligation(s):	[●]
Obligation Category: (select one only):	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
Obligation Characteristics: (select all of which apply):	[Not Subordinated] [Specified Currency: [●] (Specify currency)] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency:] [Domestic Currency means: [●] (Specify currency)] [Not Domestic Law] [Listed] [Not Domestic Insurance]
Additional Obligation(s):	[●]
(m) Excluded Obligations(s):	[●]
(n) Accrual of Interest upon Credit Event:	[Applicable/Not Applicable]
(o) Redemption following Merger Event:	[(a)] Condition 10(i) [Applicable/Not Applicable]  (If Applicable:)  [(b)] Merger Event Redemption Date: [●]
(p) Credit Event Redemption Amount:	[●] (Express per lowest Specified Denomination)
(q) Credit Event Redemption Date:	[●] Business Days
(r) Quotation Method:	[Bid/Offer/Mid-market]
(s) Quotation Amount:	[[●]/Representative Amount]
(t) Minimum Quotation Amount:	[●]
(u) Quotation Dealers:	[●]
(v) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(w) Valuation Method:	[Market/Highest] [Average Market/Highest/Average Highest] [Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]
Terms relating to Physical Delivery:	[Applicable/Not Applicable]

*(If not applicable, delete remaining sub-paragraphs except (ff))*

- (x) Physical Settlement Period: ☐ Business Days
- (y) Asset Amount: ☐ Include Accrued Interest/Exclude Accrued Interest
- (z) Settlement Currency: ☐
- (aa) Deliverable Obligations: ☐
- Deliverable Obligation Category  
(select one only):
- ☐ Payment  
☐ Borrowed Money  
☐ Reference Obligations Only  
☐ Bond  
☐ Loan  
☐ Bond or Loan
- Deliverable Obligation Characteristics  
(select all of which apply):
- ☐ Not Subordinated  
☐ Specified Currency: ☐ (Specify currency)  
☐ Standard Specified Currencies  
☐ Not Sovereign Lender  
☐ Not Domestic Currency  
☐ Domestic Currency means: ☐ (Specify currency)  
☐ Not Domestic Law  
☐ Listed  
☐ Not Contingent  
☐ Not Domestic Issuance  
☐ Assignable Loan  
☐ Consent Required Loan  
☐ Direct Loan Participation  
☐ Qualifying Participation Seller: ☐ (Give details)  
☐ Transferable  
☐ Maximum Maturity: ☐  
☐ Accelerated or Matured  
☐ Not Bearer
- Additional Deliverable Obligations: ☐
- (bb) Excluded Deliverable Obligation(s): ☐
- (cc) Indicative Quotations: ☐ Applicable/Not Applicable
- (dd) Cut-off Date: ☐
- (ee) Delivery provisions for Asset Amount  
(including details of who is to make  
such delivery) if different from Terms  
and Conditions: ☐
- (ff) Other terms or special conditions: ☐ None/☐ (Give details)

## FUND LINKED REDEMPTION NOTE PROVISIONS

34.	Fund Linked Redemption Notes:	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Whether the Notes relate to a single Reference Fund or Basket of Reference Funds and the identity of the relevant Reference Fund/Funds:	[Single Reference Fund/Basket of Reference Funds] [[●] (ISIN: [●]) <i>(Specify in respect of each Reference Fund)/See Schedule</i> ]
(b)	Fund Interest Units:	The [●] <i>(insert currency)</i> class of the [shares/non-voting shares/participating shares/units] of the Reference Fund (ISIN: [●])
(c)	Relevant provisions for determining the Final Redemption Amount:	[●]
(d)	Redemption Fees:	[[●] <i>(Give details)</i> ]/Not Applicable]
(e)	Fund Administrator:	[Not Applicable/[●] <i>(Give details)</i> ]
(f)	Fund Adviser:	[Not Applicable/[●] <i>(Give details)</i> ]
(g)	Fund Manager:	[Not Applicable/[●] <i>(Give details)</i> ]
(h)	Fund Service Provider:	[Not Applicable/[●] <i>(Give details)</i> ]
(i)	Relevant Provisions for determining certain Trigger Events:	
(i)	Reporting Disruption:	[●] <i>(Insert time period)</i>
(ii)	NAV Disruption Event:	[●] <i>(Insert applicable number of days)</i>
(iii)	NAV Trigger Event:	[●] <i>(Insert percentage amount and period)</i>
(iv)	Key Person Event:	[●] <i>(Give details of key person(s))</i>
(v)	Minimum Outstanding amount of Notes:	Occurs where the relevant aggregate nominal amount of Notes outstanding is less than [●] <i>(Insert amount if different from USD 200,000)</i> or its equivalent in the Specified Currency
(vi)	Benchmark Change:	The benchmark in respect of [the] [each] Reference Fund shall be [●] <i>(Insert amount)</i>
(vii)	Assets Under Management Trigger:	Occurs where the applicable level shall be [●] <i>(Insert amount if different from Condition 9)</i>
(viii)	Additional Trigger Events:	[[●] <i>(Give details)</i> ]/Not Applicable]

- (j) Fund Business Day: [[●] (*Give details*)/Not Applicable]
- (k) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)
- (l) Disrupted Day: [Applicable/Not Applicable]
- (m) Cut-off Period: [●]
- (n) Final Cut-off Date: [[●] (*Give details*)/Not Applicable]
- (o) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (p) Hedging Party: [[●] (*Give details*)/Not Applicable]
- (q) Other terms or special conditions: [None/[●] (*Give details*)]

## **DUAL CURRENCY REDEMPTION NOTE PROVISIONS**

35. Dual Currency Redemption Notes: [Applicable (*Give details*)/Not Applicable]

## **GENERAL PROVISIONS RELATING TO REDEMPTION**

36. Partly Paid Notes: [Applicable (*Give details*)/Not Applicable]
37. Instalment Notes: [Applicable/Not Applicable]
- (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Instalment Date(s): [●]
- (b) Instalment Amount(s): [●]
38. Early Redemption Amount: [As defined in the Conditions/[●] (*Specify other*)]
39. Adjustment for Early Redemption Unwind Costs: [Applicable/Not Applicable]
- (*If applicable:*)
- [Standard Early Redemption Unwind Costs/[●] (*Specify other*)]

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

40. Form of Notes: [Bearer Notes/Registered Notes]

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note [and/or by the holder giving [60] days' notice to the Fiscal Agent of its election for exchange]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€ 50,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 99,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

41. Additional Financial Centre(s) or other special provisions relating to Payment Days in Condition 11(f): [[●] (Give details)/Not Applicable]
- (Note that this paragraph relates to the place of payment and not to Payment Day/Interest Period End Dates)*
42. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No] (If Yes, give details)
43. Other final terms: [[●] (Give details)/Not Applicable]
- (When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive)*
44. Further Issues provision: [Condition 18 applies/[●] (insert alternative provision if required)]

## DISTRIBUTION

45. (a) If syndicated, names and addresses of Dealers and underwriting commitments: [Applicable/Not Applicable]
- (If applicable, include 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 Dealers)*
- (b) Date of Subscription Agreement: [[●] (Give details)/Not Applicable]
- (c) Stabilising Manager(s): [[●] (Give name)/Not Applicable]
- (d) If non-syndicated, name and address of relevant Dealer: [[●] (Insert name and address)/Not Applicable]
- (e) Total commission and concession: [[●] per cent. of the aggregate nominal amount/Certain fees or commissions will be payable to third party distributors and/or the Notes will be sold at a discount to the Issue Price on the primary sale of the Notes/Not Applicable/[●] (Specify other)]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA Not Applicable] [Rule 144A]
46. Non exempt Offer: [Not Applicable/An offer of the Notes may be made by the Dealer(s) [and (Specify names of other financial intermediaries/placers 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 Dealer”) 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 Dealers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [Specify Relevant Member State(s) - which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the “Offer Period”. See further paragraph 14 of Part B below.]
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which*

*the Offering Circular (and any supplement) has been notified/passported.)*

47. Additional selling restrictions: [Not Applicable/[●] (*Give details*)]

48. Additional United States Tax Considerations: [Applicable/Not Applicable]

*(If applicable, specify) (N.B. Obtain U.S. tax advice in case of non-principal protected notes, notes that are treated as non-functional currency contingent payment debt instruments under Treasury Regulation 1.988-6, notes that provide for physical settlement or partly paid notes.)*

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/[●] *Specify other*] of the Notes described herein] pursuant to the Structured Medium Term Note Programme of Rabobank Structured Products.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms [and to the best knowledge and belief of the Issuer the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. Information on the [Equity Issuer(s)]/[Index/Indices]/[Reference Fund(s)]/[Reference Obligation(s)]/[Commodity]/[Currency] (the “**Reference Information**”) has been extracted from [●] [and/or other publicly available information]. The Issuer confirms that the Reference Information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*



## PART B – OTHER INFORMATION<sup>7</sup>

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext/[●]] (*Specify other relevant regulated market and, if relevant, to admission to an official list*)] with effect from[, at the earliest, the Issue Date/[●]] (*Specify date*).]/[Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: [Applicable/Not Applicable]

*(If applicable, give details:)*

[The Notes 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.)*

*(The above disclosure should reflect the ratings allocated to Notes of the type being issued pursuant to 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 Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

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

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

- [(a) Reasons for the offer (other than general corporate purposes): [●]]

*(See [“Use of Proceeds”] wording in Offering Circular – if reasons for offer different from making profit and/or*

<sup>7</sup> If an issue of Notes is not to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, then only paragraphs 1 and 13 need to be completed and paragraphs 2 to 12 and 14 should be deleted.

*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) above are also required.)*

5. **YIELD** *(Fixed Rate Notes only)*

Indication of yield: [●]

*[Calculated as (include details of the method of calculation in brief form) on the Issue Date.]*

*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*

6. **HISTORIC INTEREST RATES** *(Floating Rate Notes only)*

*Details of historic [LIBOR/EURIBOR/[●] Specify other] rates can be obtained from [Reuters].*

7. **PERFORMANCE OF INDEX/INDICES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX/INDICES** *(Index Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*(Need to include details of where past and future performance and volatility of the index/formula can be obtained.)*

*(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.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

8. **PERFORMANCE OF RATE(S) OF EXCHANGE/FORMULA/CURRENCIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE RATE(S) OF EXCHANGE/FORMULA/CURRENCIES** *(Currency Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*(Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

9. **PERFORMANCE OF THE COMMODITY/COMMODITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE COMMODITY/COMMODITIES** *(Commodity Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

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

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

10. **PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING** *(Dual Currency Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*(Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

11. **PERFORMANCE OF EQUITY/EQUITIES/REFERENCE FUND/FUNDS, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE EQUITY/EQUITIES/REFERENCE FUND/FUNDS** *(Equity Linked Notes and Fund Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*(Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)*

*(Where the underlying is Equity or an investment or mutual fund, need to include the name of underlying and need to include details of where the information about the Equity can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

**12. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY** *(Credit Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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.)*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*(Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

**13. OPERATIONAL INFORMATION**

- |  |  |
|--|--|
| (a) ISIN:  | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes: [●]</p> <p>Following consolidation with the Tranche 1 Notes: [●]]</p> |
| (b) Common Code:   | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes: [●]</p> <p>Following consolidation with the Tranche 1 Notes: [●]]</p> |
| (c) The Depository Trust Company:  | [Not Applicable/Give name and CUSIP NUMBER]  |
| (d) Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): | [Not Applicable/Give name(s) and number(s)]  |
| (e) Delivery:  | Delivery [against/free of] payment   |

- |     |   |                    |
|-----|---|--------------------|
| (f) | Names (and addresses) of additional (Paying/Delivery) Agent(s) (if any):  | Not Applicable/[●] |
| (g) | Names (and addresses) of Calculation Agent(s) (if different from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)): | Not Applicable/[●] |

#### 14. TERMS AND CONDITIONS OF THE OFFER

- |     |   |   |
|-----|---|---|
| (a) | [Offer Price:]  | [Issue Price/Not Applicable/[●] ( <i>Give details</i> )]  |
| (b) | [Conditions to which the offer is subject:]   | [Not Applicable/[●] ( <i>Give details</i> )]  |
| (c) | [Description of the application process:]   | <p>[Not Applicable/[●] (<i>Give details</i>)]</p> <p>[The offer of the Notes is expected to open at [●] hours (Central European Time) on [●] and close at [●] hours (Central European Time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced [●] (the “Offer Period”).]</p> <p>[The Issuer reserves the right to withdraw or alter the terms of the offer of the Notes up to one Business Day prior to the Issue Date at the latest. Such withdrawal or alteration will be announced as described above.]</p> |
| (d) | [Details of the minimum and/or maximum amount of application:]  | [Not Applicable/[●] ( <i>Give details</i> )]  |
| (e) | [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] | <p>[Not Applicable/[●] (<i>Give details</i>)]</p> <p>[Subscriptions in excess of the aggregate nominal amount will be reduced systematically. Reduction will be announced by the Issuer at [●] hours (Central European Time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced as described in item 14(c) above.]</p>  |
| (f) | [Details of the method and time limits for paying up and delivering the Notes:]                                 | [Not Applicable/[●] ( <i>Give details</i> )]  |
| (g) | [Manner in and date on which results of the offer are to be made public:]                                       | [The Issuer reserves the right to increase or decrease the aggregate nominal amount of the Notes to be issued and allotted. Such increase or decrease will be announced by the Issuer at [●] hours (Central European Time) on [●] or such earlier or later date or time as the  |

Issuer may determine as described in item 14(c) above.]

[If the Issuer increases or decreases the aggregate nominal amount of the Notes, as described above, the number of Notes issued will be increased or decreased, as the case may be, by a number equal to the division of the increased or decreased, as the case may be, aggregate nominal amount by the Specified Denomination.]

[Not applicable/[●] (*Give details*)]

- |     |  |  |
|-----|--|--|
| (h) | [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> )] |
| (i) | [Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]            | [Not Applicable/[●] ( <i>Give details</i> )] |
| (j) | [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> )] |
| (k) | [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]  | [Not Applicable/[●] ( <i>Give details</i> )] |
| (l) | [Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:]             | [None/[●] ( <i>Give details</i> )]           |

## **SCHEDULE [●] TO THE FINAL TERMS**

*(In relation to a tranche of Notes which is being increased and was originally issued under an Offering Circular with an earlier date than the current Offering Circular, insert full terms and conditions which shall be in the form set out in the previous Offering Circular which shall have been previously approved by the relevant competent authority.)*



## FORM OF FINAL TERMS (AT LEAST EUR 50,000)

*(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a **denomination of at least EUR 50,000** (or its equivalent in another currency).)*

### FINAL TERMS

Date: [●]

### RABOBANK STRUCTURED PRODUCTS

**Issue of [aggregate nominal amount of Tranche] [Title of Notes] (the “Notes”)  
pursuant to the EUR 10,000,000,000 Structured Medium Term Note Programme**

[IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED BY THE ISSUER AT THE MATURITY DATE FOR LESS THAN THE PROTECTION AMOUNT, EXCEPT THAT IN THE EVENT OF INSOLVENCY OF THE ISSUER OR IN THE EVENT OF AN EARLY REDEMPTION PURSUANT TO TERMS AND CONDITIONS 5(b), 5(e), 5(h), [7(b)]<sup>8</sup>, [8(b)]<sup>9</sup>, [9(c)]<sup>10</sup> OR 14 THE NOTES MAY BE REDEEMED AT LESS THAN THE PROTECTION AMOUNT.]<sup>11</sup>

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

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 21 December 2009[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular[, as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular [and the offering circular supplement] [is] [are] available for viewing during normal business hours and may be obtained at Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands and [www.rabobank.nl](http://www.rabobank.nl).

*(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 18) was issued under an Offering Circular with an earlier date. Solely the Terms and Conditions in the Offering Circular with an earlier date should be inserted in the Schedule [●] to this document.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions as set out in Schedule [●] to this document. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Offering Circular dated 21 December 2009[ and the offering circular supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Terms and Conditions which are replaced by the terms and conditions as set out in Schedule [●] to this document as extracted from the Offering Circular dated [insert

<sup>8</sup> Insert if Index Linked Notes.

<sup>9</sup> Insert if Equity Linked Notes.

<sup>10</sup> Insert if Fund Linked Notes.

<sup>11</sup> Insert if Protection Amount is applicable.

*original date*]. Full information on the Issuer and the offer of the securities is only available on the basis of the combination of these Final Terms and the Offering Circular dated 21 December 2009[, as so supplemented], save for the Terms and Conditions, which are replaced by the terms and conditions as set out in Schedule [●] to this document. Copies of such Offering Circulars [and the offering circular supplement] are available for viewing during normal business hours and may be obtained at Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands and [www.rabobank.nl](http://www.rabobank.nl).]

*(The following alternative language applies if Notes are issued pursuant to Rule 144A.)*

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF NOTES REPRESENTED BY A GLOBAL CERTIFICATE.]

References herein to numbered conditions are to the Terms and Conditions of the Notes.

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

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

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

*The purchase of Notes 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 Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in these Final Terms and the Offering Circular, as supplemented from time to time.*

[A [Dutch] language description of the principal terms of the Notes is contained in Annex I hereto.]

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

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

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

2. (a) Series Number: [●]

(b) Tranche Number: [●]

*(If fungible with an existing Tranche insert:)*

[The Notes issued pursuant to these Final Terms will be consolidated and form a single series with [●] *(insert title of original Notes)* (the “**Tranche 1 Notes**”), issued pursuant to the Final Terms dated [●], with effect from [●] *(insert the Issue Date)*/[●] *(insert a date no earlier than 40 days after the Issue Date of Tranche 2 Notes)*]

3. Specified Currency or Currencies: [●]

4. Aggregate nominal amount: [●]

*(The aggregate nominal amount of the Notes will depend on the amount of Notes subscribed for during the Offer Period. Any increase or decrease will be published as soon as practicable after the Offer Period (as further set out in paragraph 14 of Part B))*

(a) Series: [●]

(b) Tranche: [●]

5. Issue Price of Tranche: [●] per cent. [of the aggregate nominal amount provided that the Issue Price will depend on general market conditions subsequent to the end of the Offer Period and will be published as soon as practicable after the Offer Period]/[plus accrued interest from [●] *(insert date)* (if applicable)]

6. (a) Specified Denominations: [●]

*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the € [1,000] minimum denomination is not required)*

*(Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom, or whose issue*

*otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum denomination of £ 100,000 (or its equivalent in other Specified Currencies))*

(b) Calculation Amount: [●]

*(If there is only one Specified Denomination, insert that Specified Denomination.)*

*(If there is more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*

7. (a) Issue Date: [●]

(b) Interest Commencement Date: [[●] (specify)/The Issue Date/Not Applicable]

8. Maturity Date or Redemption Month: [●]

[Fixed Rate - [●] (Specify date)]

[Floating Rate - Interest Payment Date falling in or nearest to [●] (Specify month)] (the “**Scheduled Maturity Date**”) [subject as provided in [Condition 10(d)] [./and] [Condition 10(e)] [and] [Condition 10(f)] (Include for Credit Linked Notes)] (In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)

9. Interest Basis:

[[●] per cent. Fixed Rate]/

[[LIBOR/EURIBOR/[●] (Specify other)] +/-][●] per cent. Floating Rate]/

[Zero Coupon]/

[Currency Linked Interest]/

[Commodity Linked Interest]/

[Equity Linked Interest]/

[Index Linked Interest]/

[Credit Linked Interest]/

[Fund Linked Interest]/

[Dual Currency Interest]/

[Non-interest bearing]/

[[●] (Specify other)]

*(Further particulars specified below)*

10. (a) Redemption/Payment Basis:

[Redemption at par]/

[Currency Linked Redemption]/

[Commodity Linked Redemption]/

[Equity Linked Redemption]/

[Index Linked Redemption]/

[Credit Linked Redemption]/

- [Fund Linked Redemption]/  
[Dual Currency Redemption]/  
[Partly Paid]/  
[Instalment]/  
[[●] (*Specify other*)]
- (b) Protection Amount: [Principal Protection/[●] per cent. of the Specified Denomination/Not Applicable]
11. Change of Interest Basis or Redemption/Payment Basis: [[●] (*Give details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*)/Not Applicable]
12. Investor Put/Issuer Call/Obligatory Redemption: [Investor Put/Issuer Call/Obligatory Redemption/Not Applicable]  
  
(*Further particulars specified below*)
13. (a) Status of the Notes: [Senior and unsecured/Subordinated (*Give details*)]
- (b) Domestic Note: [No/Yes]  
(*if Domestic Note, there will be no gross-up for withholding tax*)
- (c) Date of approval for issuance of Notes: [●]
14. Method of distribution: [Syndicated/Non-Syndicated]

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

### **FIXED RATE NOTE PROVISIONS**

15. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/[●] (*Specify other*)] in arrear]
- (b) Interest Payment Date(s): [●] in each year
- (c) Determination Date(s): [●] in each year  
(*Insert regular interest payment dates, ignoring the Issue Date and the Maturity Date in the case of a long or short first or last coupon*)  
  
(*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*)  
(*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)

- (d) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)/Not Applicable]
- (e) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (f) Fixed Coupon Amount(s): [●] per Calculation Amount
- (g) Broken Amount(s): [[●] (*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount and the Interest Payment Dates to which they relate*)/Not Applicable]
- (h) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (i) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/[●] (*Give details*)]

## FLOATING RATE NOTE PROVISIONS

16. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Specified Period(s): [●]
- (b) Specified Interest Payment Date(s): [●]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)]
- (d) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (e) Manner in which the Rate(s) of Interest and/or Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/[●] (*Specify other*)]

- (f) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Reference Rate: [●]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
- (ii) Interest Determination Date(s): [●]  
*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than euro (LIBOR)) and the second day on which the TARGET 2 is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- (iii) Relevant Screen Page: [●]  
*(In the case of EURIBOR, if not Reuters EURIBOR 01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Floating Rate Option: [●]
- (ii) Designated Maturity: [●]
- (iii) Reset Date: [●]
- (iv) ISDA Definitions *(if different from those set out in the Terms and Conditions)*: [●]
- (h) Margin(s): [[+/-][●] per cent. per annum/Not Applicable]
- (i) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (j) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ICMA)]/  
 [Actual/365 (Fixed)]/  
 [Actual/365 (Sterling)]/  
 [Actual/360]/  
 [30/360]/  
 [30E/360]/  
 [30E/360 (ISDA)]/  
 [Actual/Actual (ISMA)]/

- [Actual/Actual (ISDA)]/  
[Other]
- (l) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions: [●]
- (m) Other terms or special conditions: [None/[●] (*Give details*)]

## **ZERO COUPON NOTE PROVISIONS**

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) [Amortisation/Accrual] Yield: [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Day Count Fraction in relation to Early Redemption Amounts and Late Payment: [Conditions [Redemption and Purchase - Early Redemption Amounts] (c) and [- Late Payment on Zero Coupon Notes] apply/[●] (*Specify other*)]  
  
(*Consider applicable day count fraction if not U.S. dollar denominated*)
- (d) Any formula/basis of determining amount payable: [●]
- (e) Other terms or special conditions: [None/[●] (*Give details*)]

## **CURRENCY LINKED INTEREST NOTE PROVISIONS**

18. Currency Linked Interest Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Relevant Currency/Currencies: [●]
- (b) Base Currency: [●]
- (c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*) / See Schedule]
- (d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Currency or [Applicable/Not Applicable]  
  
(*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*)



- Currencies and/or formula is impossible or impracticable:
- (e) Specified Period(s)/Specified Interest Payment Date(s): [●]
  - (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)]
  - (g) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
  - (h) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
  - (i) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
  - (j) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
  - (k) Other terms or special conditions: [None/[●] (*Give details*)]

## COMMODITY LINKED INTEREST NOTE PROVISIONS

19. Commodity Linked Interest Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete remaining sub-paragraphs of this paragraph*)
- (a) Whether the Notes relate to a single Commodity or a Basket of Commodities and identity of the relevant Commodity/Commodities: [Single Commodity/Basket of Commodities]  
[[●] (*Give details*)/See Schedule]
  - (b) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*)/See Schedule]
  - (c) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Commodity/Commodities and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
(*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*)

- (d) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)]
- (f) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (g) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (h) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (i) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (j) Other terms or special conditions: [None/[●] (*Give details*)]

## INDEX LINKED INTEREST NOTE PROVISIONS

20. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Whether the Notes relate to a single Index or a Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index: [Single Index/Basket of Indices]  
Index/Indices: [[●] (*Give details*) (Bloomberg® code [●])]/See Schedule]  
Multi-Exchange Index: [Applicable/Not Applicable]  
(*N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index*)
- (b) Name of Index Sponsor(s): [●]
- (c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [●]

- (d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Index/Indices and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (e) Additional Disruption Events: [Applicable/Not Applicable]  
*(If applicable, specify which of the following events are applicable)*  
[Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[[●] (Specify other)]
- (f) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (g) Observation Period(s): [[●] (Give dates)/Not Applicable]
- (h) Observation Date(s): [[●] (Give dates)/Not Applicable]
- (i) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (Specify other)]
- (j) Additional Financial Centre(s): [[●] (Give details)/Not Applicable]
- (k) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (l) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (m) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/  
[30E/360 (ISDA)]/  
[Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (n) Valuation Date(s)/Averaging Date(s): [[●] (Give details)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]  
*(N.B. only applicable where Averaging Date(s) are specified)*

- |     |                                     |   |
|-----|-------------------------------------|---|
| (o) | Valuation Time:                     | [As set out in Condition 7(c)/[●] ( <i>Specify other</i> )] |
| (p) | Disrupted Day:                      | [Applicable/Not Applicable]                                 |
| (q) | Trade Date:                         | [●]   |
| (r) | Exchange(s):                        | [●]   |
| (s) | Related Exchange(s):                | [All Exchanges/[●] ( <i>Give details</i> )]                 |
| (t) | Others terms or special conditions: | [None/[●] ( <i>Give details</i> )]                          |

## EQUITY LINKED INTEREST NOTE PROVISIONS

- |     |   |  |
|-----|---|--|
| 21. | Equity Linked Interest Note Provisions:   | [Applicable/Not Applicable]<br><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
| (a) | Whether the Notes relate to a single Equity or Basket of Equities and the identity of the relevant Equity Issuer(s) of the Equity/Equities:                                 | [Single Equity/Basket of Equities]<br><br><i>(If a Basket, give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs))</i><br><br>(i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]<br><br>(ii) Equity Issuer(s): [●] (Bloomberg® code [●])<br><br>(iii) the ISIN/Common Code of Equity/Equities: [[●]/See Schedule]] |
| (b) | Partial Lookthrough Depository Receipt Provisions:  | [Applicable/Not Applicable]<br><br><i>(Applicable for Russian ADR/GDRs)</i>  |
| (c) | Full Lookthrough Depository Receipt Provisions:   | [Applicable/Not Applicable]  |
| (d) | Description of formula to be used to determine the Rate of Interest and/or Interest Amount:   | [[●] ( <i>Give details</i> )/See Schedule]   |
| (e) | Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Equity/Equities and/or formula is impossible or impracticable: | [Applicable/Not Applicable]<br><br><i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions below)</i>  |

- (f) Additional Disruption Events: [Applicable/Not Applicable]
- (If applicable, specify which of the following events are applicable)*  
 [Change in Law]  
 [Hedging Disruption]  
 [Increased Cost of Hedging]  
 [Insolvency Filing]  
 [[●] (*Specify other*)]
- (g) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (h) Observation Period(s): [[●] (*Give details*)/Not Applicable]
- (i) Observation Date(s): [[●] (*Give details*)/Not Applicable]
- (j) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)]
- (k) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (l) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (m) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (n) Day Count Fraction: [Actual/Actual (ICMA)]/  
 [Actual/365 (Fixed)]/  
 [Actual/365 (Sterling)]/  
 [Actual/360]/  
 [30/360]/  
 [30E/360]/  
 [30E/360 (ISDA)]/  
 [Actual/Actual (ISMA)]/  
 [Actual/Actual (ISDA)]/  
 [Other]
- (o) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)*
- (p) Valuation Time: [As set out in Condition 8(f)/[●] (*Specify other*)]
- (q) Disrupted Day: [Applicable/Not Applicable]
- (r) Trade Date: [●]

- (s) Exchange(s): [●]
- (t) Related Exchange(s): [All Exchanges]/[●]
- (u) Exchange Rate: [Applicable/Not Applicable] (*If applicable, insert details*)
- (v) Other terms or special conditions: [None/[●] (*Give details*)]

## CREDIT LINKED INTEREST NOTE PROVISIONS

22. Credit Linked Interest Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Whether the Notes relate to a single Reference Entity or Basket of Reference Entities and the identity of the relevant Reference Entity/Entities: [Single Reference Entity/Basket of Reference Entities]  
[[●] (*Give details*)/See Schedule]
- (b) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [●]
- (c) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Reference Entity/Entities and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
(*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*)
- (d) Specified Period(s)/Specified Interest Payment Date(s): [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)]
- (f) Additional Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (g) Minimum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (h) Maximum Rate of Interest: [[●] per cent. per annum/Not Applicable]
- (i) Day Count Fraction: [Actual/Actual (ICMA)]/  
[Actual/365 (Fixed)]/  
[Actual/365 (Sterling)]/  
[Actual/360]/  
[30/360]/  
[30E/360]/

[30E/360 (ISDA)]/  
 [Actual/Actual (ISMA)]/  
 [Actual/Actual (ISDA)]/  
 [Other]

- (j) Others terms or special conditions: [None/[•] (*Give details*)]

## FUND LINKED INTEREST NOTE PROVISIONS

23. Fund Linked Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Reference Fund or a Basket of Reference Funds and the identity of the relevant Reference Fund/Funds: [Single Reference Fund/Basket of Reference Funds]  
 [[•] (ISIN: [•]) (*Give details for each Reference Fund*)/See Schedule]
- (b) Fund Interest Unit: The [•] (*insert currency*) class of the (*shares/non-voting shares/participating shares/units*) of the Reference Fund (ISIN: [•])
- (c) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[•] (*Give details*)/See Schedule]
- (d) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Reference Fund(s) and/or formula is impossible or impracticable: [Applicable/Not Applicable]  
*(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (e) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[•] (*Specify other*)]
- (g) Additional Financial Centre(s): [[•] (*Give details*)/Not Applicable]
- (h) Day Count Fraction: [Actual/Actual (ICMA)]/  
 [Actual/365 (Fixed)]/  
 [Actual/365 (Sterling)]/  
 [Actual/360]/  
 [30/360]/  
 [30E/360]/  
 [30E/360 (ISDA)]/

- [Actual/Actual (ISMA)]/  
[Actual/Actual (ISDA)]/  
[Other]
- (i) Valuation Date(s)/Averaging Date(s): ☐ (Give details)/Not Applicable
- [Adjustment provisions in the event of a Disrupted Day:] ☐ Omission/Postponement/Modified Postponement
- (N.B. only applicable where Averaging Date(s) are specified)*
- (j) Disrupted Day: ☐ Applicable/Not Applicable
- (k) Fund Administrator: ☐ (Give details)/Not Applicable
- (l) Fund Adviser: ☐ (Give details)/Not Applicable
- (m) Fund Manager: ☐ (Give details)/Not Applicable
- (n) Fund Service Provider: ☐ (Give details)/Not Applicable
- (o) Other terms or special conditions: ☐ None/☐ (Give details)

## DUAL CURRENCY INTEREST NOTE PROVISIONS

24. Dual Currency Interest Note Provisions: ☐ Applicable/Not Applicable
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)*
- (a) Rate(s) of Exchange/method of calculating Rate(s) of Exchange: ☐ (Give details)/See Schedule/Screen Page: ☐/Bloomberg®/Reuters
- (b) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: ☐ Applicable/Not Applicable
- (If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)*
- (c) Day Count Fraction: ☐ Actual/Actual (ICMA)]/  
☐ Actual/365 (Fixed)]/  
☐ Actual/365 (Sterling)]/  
☐ Actual/360]/  
☐ 30/360]/  
☐ 30E/360]/  
☐ 30E/360 (ISDA)]/  
☐ Actual/Actual (ISMA)]/



[Actual/Actual (ISDA)]/  
[Other]

(d) Other terms or special conditions: [None/[•] (*Give details*)]

## PROVISIONS RELATING TO OPTIONAL REDEMPTION AND FINAL REDEMPTION AMOUNT

25. Issuer Call: [Applicable/Not Applicable]  
(Condition 5(c))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount(s) [•]  
of each Note and method, if any,  
of calculation of such amount(s):
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [•]
- (ii) Higher Redemption Amount: [•]
- (d) Notice period (*if other than as set out in the Terms and Conditions*): [•]
26. Investor Put: [Applicable/Not Applicable]  
(Condition 5(d))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount of [•]  
each Note and method, if any, of  
calculation of such amount(s):
- (c) Notice period (*if other than as set out in the Terms and Conditions*): [•]
27. Obligatory Redemption: [Applicable/Not Applicable]  
(Condition 5(f))  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Obligatory Redemption Date(s): [•]
- (b) Obligatory Redemption Amount [•]  
of each Note and method, if any,  
of calculation of such amount(s):

28. Final Redemption Amount of each Note: ☐ per Note/Par/☐ (*Specify other*)/See below/See Schedule/Not Applicable]

*(Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes)*

#### **CURRENCY LINKED REDEMPTION NOTE PROVISIONS**

29. Currency Linked Redemption Notes: ☐ Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Relevant Currency or Currencies: ☐ (*Give details*)/See Schedule]
- (b) Relevant provisions for determining the Final Redemption Amount: ☐
- (c) Provisions for determining Final Redemption Amount where calculation by reference to the Currency/Currencies and/or formula is impossible: ☐
- (d) Other terms or special conditions: ☐ None/☐ (*Give details*)]

#### **COMMODITY LINKED REDEMPTION NOTE PROVISIONS**

30. Commodity Linked Redemption Notes: ☐ Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Whether the Notes relate to a single Commodity or Basket of Commodities and identity of the relevant Commodity/Commodities: ☐ Single Commodity/Basket of Commodities]  
☐ (*Give details*)/See Schedule]
- (b) Relevant provisions for determining the Final Redemption Amount: ☐
- (c) Provisions for determining Final Redemption Amount where calculation by reference to the Commodity/Commodities and/or formula is impossible: ☐
- (d) Other terms or special conditions: ☐ None/☐ (*Give details*)]

## INDEX LINKED REDEMPTION NOTE PROVISIONS

31. Index Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Index or a Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index: [Single Index/Basket of Indices]
- Index/Indices: [[●] (Give details) (Bloomberg® Code [●])/See Schedule]
- Multi-Exchange Index: [Applicable/Not Applicable]  
*(N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)*
- (b) Name of Index Sponsor(s): [●]
- (c) Relevant provisions for determining the Final Redemption Amount: [●]
- (d) Observation Period(s): [[●] (Give details)/Not Applicable]
- (e) Observation Date(s): [[●] (Give details)/Not Applicable]
- (f) Valuation Date(s)/Averaging Date(s): [[●] (Give details)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)*
- (g) Valuation Time: [As set out in Condition 7(c)/[●] (Specify other)]
- (h) Disrupted Day: [Applicable/Not Applicable]
- (If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 7(c) and if not appropriate insert appropriate provisions)*
- (i) Multiplier for each Index comprising the basket: [Applicable/Not Applicable]
- (If applicable, insert details)*
- (j) Additional Disruption Events: [Applicable/Not Applicable]
- (If applicable specify which of the following events are applicable)*

- [Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[[●] (*Specify other*)]
- (k) Trade Date: [●]
- (l) Exchange(s): [●]
- (m) Related Exchange(s): [All Exchanges]/[●]
- (n) Other terms or special conditions: [None/[●] (*Give details*)]

## EQUITY LINKED REDEMPTION NOTE PROVISIONS

32. Equity Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Equity or a Basket of Equities and the identity of the relevant Equity Issuer(s) of the Equity/Equities): [Single Equity/Basket of Equities]
- (Give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs):)*
- (i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]
- (ii) Equity Issuer(s): [●] (Bloomberg® code [●])
- (iii) ISIN/Common Code of the Equity/Equities: [[●]/[●]/See Schedule]
- (b) Partial Lookthrough Depository Receipt Provisions: [Applicable/Not Applicable]
- (Applicable for Russian ADR/GDRs)*
- (c) Full Lookthrough Depository Receipt Provisions: [Applicable/Not Applicable]
- (d) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
- (If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*
- (e) Relevant provisions for determining the Final Redemption Amount: [●]
- (f) Observation Period(s): [[●] (*Give details*)/Not Applicable]

- (g) Observation Date(s): ☐ (Give details)/Not Applicable]
- (h) Valuation Date(s)/Averaging Date(s): ☐ (Give details)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] ☐ [Omission/Postponement/Modified Postponement]
- (N.B. only applicable where Averaging Date(s) are specified)
- (i) Valuation Time: [As set out in Condition 8(f)/☐ (Specify other)]
- (j) Disrupted Day: ☐ [Applicable/Not Applicable]
- (If applicable, consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions)
- (k) Multiplier for each Equity comprising the Basket (which is subject to adjustment as set out in Condition 8(b)): ☐ (Give details)/Not Applicable]
- (l) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)/☐ (Insert Trade Date of related swap transaction (if different from Issue Date))]
- (m) Relevant Assets: (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
- (n) Asset Amount: (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
- (o) Cut-off Date: (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
- (p) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions: (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
- (q) Clearance System: (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
- (r) Additional Disruption Events: ☐ [Applicable/Not Applicable]
- (If applicable, specify which of the following events are applicable)

- [Change in Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Insolvency Filing]  
[[●] (*Specify other*)]
- (s) Exchange(s): [●]
- (t) Related Exchange(s): [All Exchanges]/[●]
- (u) Exchange Rate: [Applicable/Not Applicable]  
*(If applicable, insert details)*
- (v) Other terms or special conditions: [None/[●] (*Give details*)]

### CREDIT LINKED REDEMPTION NOTE PROVISIONS

33. Credit Linked Redemption Notes: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
- (b) Relevant provisions for determining the Final Redemption Amount: [●]
- (c) Valuation Date(s): [Single Valuation Date:  
[●] Business Days  
[Multiple Valuation Dates:  
[●] Business Days; and each [●] Business Days thereafter  
Number of Valuation Dates: [●]]]
- (d) Valuation Time: [●]
- (e) Calculation Agent City: [●]
- (f) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)]/[●]  
(*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (g) Reference Entity or Entities: [●]
- (h) Reference Obligation or [●]

Obligations:	
[The obligation(s) identified as follows:	[●]
Primary Obligor:	[●]
Guarantor:	[●]
Maturity:	[●]
Coupon:	[●]
CUSIP/ISIN:	[●]
(i) All Guarantees:	[Applicable/Not Applicable] Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]
(j) Credit Events:	[Bankruptcy] [Failure to Pay] [Payment Requirement: [●]] [Grace Period Extension: Applicable/Not Applicable] [(If Applicable:) Grace Period: [●]] [Obligation Default] [Obligation Acceleration] [Repudiation/Moratorium] [Restructuring]  – Provisions relating to Multiple Holder Obligation: Condition 10(l) [Applicable/Not Applicable] – Provisions relating to Restructuring Credit Event: Condition 10(k) [Applicable/Not Applicable] – Provisions relating to Repudiation/Moratorium Extension: Condition 10(d) [Applicable/Not Applicable] – [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]] – [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]  [Other]
Default Requirement:	[●]
(k) Conditions to Settlement:	Notice of Publicly Available Information [Applicable/Not Applicable]  (If Applicable:) [Public Source(s): [●]]

		Specified Number: [●]
(l)	Obligation(s):	[●]
	Obligation Category: (select one only):	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
	Obligation Characteristics: (select all of which apply):	[Not Subordinated] [Specified Currency: [●] (Specify currency)] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency:] [Domestic Currency means: [●] (Specify currency)] [Not Domestic Law] [Listed] [Not Domestic Insurance]
	Additional Obligation(s):	[●]
(m)	Excluded Obligations(s):	[●]
(n)	Accrual of Interest upon Credit Event:	[Applicable/Not Applicable]
(o)	Redemption following Merger Event:	[(a)] Condition 10(i) [Applicable/Not Applicable]  (If Applicable:)  [(b)] Merger Event Redemption Date: [●]
(p)	Credit Event Redemption Amount:	[●] (Express per lowest Specified Denomination)
(q)	Credit Event Redemption Date:	[●] Business Days
(r)	Quotation Method:	[Bid/Offer/Mid-market]
(s)	Quotation Amount:	[[●]/Representative Amount]
(t)	Minimum Quotation Amount:	[●]
(u)	Quotation Dealers:	[●]
(v)	Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(w)	Valuation Method:	[Market/Highest] [Average Market/Highest/Average Highest] [Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]



	Terms relating to Physical Delivery:	[Applicable/Not Applicable]  <i>(If not applicable, delete remaining sub-paragraphs except (ff))</i>
(x)	Physical Settlement Period:	[●] Business Days
(y)	Asset Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(z)	Settlement Currency:	[●]
(aa)	Deliverable Obligations:	[●]
	Deliverable Obligation Category <i>(select one only):</i>	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
	Deliverable Obligation Characteristics <i>(select all of which apply):</i>	[Not Subordinated] [Specified Currency: [●] <i>(Specify currency)</i> ] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [●] <i>(Specify currency)</i> ] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [●] <i>(Give details)</i> ] [Transferable] [Maximum Maturity: [●]] [Accelerated or Matured] [Not Bearer]
	Additional Deliverable Obligations:	[●]
(bb)	Excluded Deliverable Obligation(s):	[●]
(cc)	Indicative Quotations:	[Applicable/Not Applicable]
(dd)	Cut-off Date:	[●]
(ee)	Delivery provisions for Asset Amount (including details of who is to make such delivery) if	[●]

different from Terms and Conditions:

(ff) Other terms or special conditions: [None/[•] (*Give details*)]

## FUND LINKED REDEMPTION NOTE PROVISIONS

34. Fund Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Whether the Notes relate to a single Reference Fund or Basket of Reference Funds and the identity of the relevant Reference Fund/Funds: [Single Reference Fund/Basket of Reference Funds]  
[[•] (ISIN: [•]) (*Specify in respect of each Reference Fund*)/See Schedule]
- (b) Fund Interest Units: The [•] (*insert currency*) class of the [*shares/non-voting shares/participating shares/units*] of the Reference Fund (ISIN: [•])
- (c) Relevant provisions for determining the Final Redemption Amount: [•]
- (d) Redemption Fees: [[•] (*Give details*)/Not Applicable]
- (e) Fund Administrator: [Not Applicable/[•] (*Give details*)]
- (f) Fund Adviser: [Not Applicable/[•] (*Give details*)]
- (g) Fund Manager: [Not Applicable/[•] (*Give details*)]
- (h) Fund Service Provider: [Not Applicable/[•] (*Give details*)]
- (i) Relevant Provisions for determining certain Trigger Events:
- (i) Reporting Disruption: [•] (*Insert time period*)
- (ii) NAV Disruption Event: [•] (*Insert applicable number of days*)
- (iii) NAV Trigger Event: [•] (*Insert percentage amount and period*)
- (iv) Key Person Event: [•] (*Give details of key person(s)*)
- (v) Minimum Outstanding amount of Notes: Occurs where the relevant aggregate nominal amount of Notes outstanding is less than [•] (*Insert amount if different from USD 200,000*) or its equivalent in the Specified Currency

- (vi) Benchmark Change: The benchmark in respect of [the] [each] Reference Fund shall be [●] (*Insert amount*)
- (vii) Assets Under Management Trigger: Occurs where the applicable level shall be [●] (*Insert amount if different from Condition 9*)
- (viii) Additional Trigger Events: [[●] (*Give details*)/Not Applicable]
- (j) Fund Business Day: [[●] (*Give details*)/Not Applicable]
- (k) Valuation Date(s)/Averaging Date(s): [[●] (*Give details*)/Not Applicable]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]  
(*N.B. only applicable where Averaging Date(s) are specified*)
- (l) Disrupted Day: [Applicable/Not Applicable]
- (m) Cut-off Period: [●]
- (n) Final Cut-off Date: [[●] (*Give details*)/Not Applicable]
- (o) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)]/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (p) Hedging Party: [[●] (*Give details*)/Not Applicable]
- (q) Other terms or special conditions: [None/[●] (*Give details*)]

## **DUAL CURRENCY REDEMPTION NOTE PROVISIONS**

35. Dual Currency Redemption Notes: [Applicable (*Give details*)/Not Applicable]

## **GENERAL PROVISIONS RELATING TO REDEMPTION**

36. Partly Paid Notes: [Applicable (*Give details*)/Not Applicable]
37. Instalment Notes: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Instalment Date(s): [●]
- (b) Instalment Amount(s): [●]

38. Early Redemption Amount: [As defined in the Conditions/[●] (*Specify other*)]
39. Adjustment for Early Redemption Unwind Costs: [Applicable/Not Applicable]  
(*If applicable:*)  
[Standard Early Redemption Unwind Costs/[●] (*Specify other*)]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

40. Form of Notes: [Bearer Notes/Registered Notes]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note [and/or by the holder giving [60] days' notice to the Fiscal Agent of its election for exchange]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€ 50,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 99,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
41. Additional Financial Centre(s) or other special provisions relating to Payment Days in Condition 11(f): [[●] (*Give details*)/Not Applicable]
- (Note that this paragraph relates to the place of payment and not to Payment Day/Interest Period End Dates)*
42. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No] (*If Yes, give details*)
43. Other final terms: [[●] (*Give details*)/Not Applicable]

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

44. Further Issues provision: [Condition 18 applies/[●] (*insert alternative provision if required*)]

## DISTRIBUTION

45. (a) If syndicated, names and addresses of Dealers and underwriting commitments: [Applicable/Not Applicable]
- (If applicable, include 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 Dealers)*
- (b) Date of Subscription Agreement: [[●] (*Give details*)/Not Applicable]
- (c) Stabilising Manager(s): [[●] (*Give name*)/Not Applicable]
- (d) If non-syndicated, name and address of relevant Dealer: [[●] (*Insert name and address*)/Not Applicable]
- (e) Total commission and concession: [[●] per cent. of the aggregate nominal amount/Certain fees or commissions will be payable to third party distributors and/or the Notes will be sold at a discount to the Issue Price on the primary sale of the Notes/Not Applicable/[●] (*Specify other*)]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA Not Applicable] [Rule 144A]
46. Additional selling restrictions: [Not Applicable/[●] (*Give details*)]
47. Additional United States Tax Considerations: [Applicable/Not Applicable] (*If applicable, specify*) (*N.B. Obtain U.S. tax advice in case of non-principal protected notes, notes that are treated as non-functional currency contingent payment debt instruments under Treasury Regulation 1.988-6, notes that provide for physical settlement or partly paid notes.*)

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/[●] *Specify other*] of the Notes described herein] pursuant to the Structured Medium Term Note Programme of Rabobank Structured Products.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms [and to the best knowledge and belief of the Issuer the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. Information on the [Equity Issuer(s)]/[Index/Indices]/[Reference Fund(s)]/[Reference Obligation(s)]/[Commodity]/[Currency] (the “**Reference Information**”) has been extracted from [●] [and/or other publicly available information]. The Issuer confirms that the Reference Information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## PART B – OTHER INFORMATION<sup>12</sup>

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext/[●] (Specify other relevant regulated market and, if relevant, to admission to an official list)] with effect from[, at the earliest, the Issue Date/[●] (Specify date)].]/[Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [Applicable/Not Applicable]
- (If applicable, give details:)  
[The Notes 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.)
- (The above disclosure should reflect the ratings allocated to Notes of the type being issued pursuant to 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 Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - Amend as appropriate if there are other interests]

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

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

- [(a) Reasons for the offer (other than [●]) general corporate purposes):
- (See [“Use of Proceeds”] wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to

<sup>12</sup> If an issue of Notes is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, then only paragraphs 1 and 13 need to be completed and paragraphs 2 to 12 should be deleted.

*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) above are also required.)*

5. **YIELD** *(Fixed Rate Notes only)*

Indication of yield: [●]

*[Calculated as (include details of the method of calculation in brief form) on the Issue Date.]*

*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*

6. **HISTORIC INTEREST RATES** *(Floating Rate Notes only)*

Details of historic [LIBOR/EURIBOR/[●] Specify other] rates can be obtained from [Reuters].

7. **PERFORMANCE OF INDEX/INDICES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX/INDICES** *(Index Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of where past and future performance and volatility of the index/formula can be obtained.)*

*(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.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

8. **PERFORMANCE OF RATE(S) OF EXCHANGE/FORMULA/CURRENCIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE RATE(S) OF EXCHANGE/FORMULA/CURRENCIES** *(Currency Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 8 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

9. **PERFORMANCE OF THE COMMODITY/COMMODITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE COMMODITY/COMMODITIES** *(Commodity Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of where past and future performance and volatility of [the Commodity] can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 9 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

10. **PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING** *(Dual Currency Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of where past and future performance and volatility of the relevant rates can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 10 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

11. **PERFORMANCE OF EQUITY/EQUITIES/REFERENCE FUND/FUNDS, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE EQUITY/EQUITIES/REFERENCE FUND/FUNDS** *(Equity Linked Notes and Fund Linked Notes only)*

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)*

*(Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)*

*(Where the underlying is Equity or an investment or mutual fund, need to include the name of underlying and need to include details of where the information about the Equity can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 11 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**12. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY (Credit Linked Notes only)**

*(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, 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 details of the Reference Entity and of where information on the Reference Entity can be obtained.)*

*(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

[The Issuer does not intend to provide post-issuance information.]

*(N.B. This paragraph 12 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**13. OPERATIONAL INFORMATION**

- |                  |   |
|------------------|---|
| (a) ISIN:        | [●]<br><i>(If fungible with an existing Series insert:)</i><br>[Pending consolidation with the Tranche 1 Notes:<br>[●]<br>Following consolidation with the Tranche 1 Notes:<br>[●]] |
| (b) Common Code: | [●]<br><i>(If fungible with an existing Series insert:)</i><br>[Pending consolidation with the Tranche 1 Notes:<br>[●]<br>Following consolidation with the Tranche 1 Notes:<br>[●]] |

- |     |   |  |
|-----|---|--|
| (c) | The Depository Trust Company:   | [Not Applicable/ <i>Give name and CUSIP NUMBER</i> ] |
| (d) | Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s):          | [Not Applicable/ <i>Give name(s) and number(s)</i> ] |
| (e) | Delivery:   | Delivery [against/free of] payment                   |
| (f) | Names (and addresses) of additional (Paying/Delivery) Agent(s) (if any):  | Not Applicable/[●]                                   |
| (g) | Names (and addresses) of Calculation Agent(s) (if different from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)): | Not Applicable/[●]                                   |

## **SCHEDULE [●] TO THE FINAL TERMS**

*(In relation to a tranche of Notes which is being increased and was originally issued under an Offering Circular with an earlier date than the current Offering Circular, insert full terms and conditions which shall be in the form set out in the previous Offering Circular which shall have been previously approved by the relevant competent authority.)*

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. These terms and conditions, as completed, amended, supplemented or varied by the relevant Final Terms (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these “**Terms and Conditions**” will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or certificates as the case may be. References in the Terms and Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued pursuant to the Programme.*

This Note is one of a Series (as defined below) of Notes issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabobank Structured Products**” or “**Issuer**”).

References herein to the **Notes** shall be reference to the Notes of this Series and shall mean:

- (i) in relation to any Notes in bearer form represented by a temporary or permanent global note (each a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any Global Certificate;
- (iv) any definitive Notes in bearer form issued in exchange for a Global Note (“**Definitive Notes**”); and
- (v) any individual certificates issued in exchange for a Global Certificate (“**Definitive Certificates**” and together with Global Certificates, “**Certificates**”).

The Notes are issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”)) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the “**Issuing and Paying Agent**”), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabo Securities**”) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named (each a “**Paying Agent**” and together with the Issuing and Paying Agent and the Euroclear Netherlands Fiscal Agent, the “**Paying Agents**”) therein, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”, which expression shall include any successor registrar), as exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and as a transfer agent (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents) dated 21 December 2009 (the “**Agency Agreement**”) and with the benefit of a covenant (as amended or supplemented as at the Issue Date) dated 21 December 2009 executed by the Issuer in relation to the Notes (the “**Covenant**”). The Noteholders, the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes of which the principal is payable in instalments (the “**Receiptholders**”) are deemed to have taken notice of and to have accepted all of the provisions of the Agency Agreement applicable to them. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The relevant Final Terms for the Notes (or the relevant provisions thereof) are attached to or endorsed on the Notes and supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these

Terms and Conditions for the purposes of the Notes. References to the “**relevant Final Terms**” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

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

Copies of the Agency Agreement, the Covenant and the ISDA Definitions (as defined below) are available for viewing during normal business hours at the specified offices of each of the Paying Agents.

Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and the specified offices of the Paying Agents and copies may be obtained during normal business hours at the specified office of each of the Paying Agents save that, if this Note is neither listed on a stock exchange nor admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the relevant Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Covenant and the relevant Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

In these Terms and Conditions:

***General Definitions:***

“**Affiliate**” 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 the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

“**Broken Amount**” The amount specified as such in the relevant Final Terms.

“**Business Day**” A day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and London and any Additional Financial Centre specified in the relevant Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country

of the relevant Specified Currency (if other than London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 is open.

**“Calculation Agent”**

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) or, if different, as specified in the relevant Final Terms. All determinations and calculations made by the Calculation Agent shall be made by it in its sole discretion and in good faith, acting reasonably and on an arm’s-length basis. All such determinations and calculations so made shall be final and binding (save in the case of manifest error) on all parties. The Calculation Agent shall have no liability or responsibility to any person in relation to the determinations or calculations provided in connection herewith, except in the case of wilful default or bad faith. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes, including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

**“Calculation Amount”**

The calculation amount of the Notes as specified in the relevant Final Terms.

**“Clearstream”**

Clearstream Banking, société anonyme.

**“Day Count Fraction”**

In respect of the calculation of an amount of interest for any Interest Period:

- (a) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if “Actual/365 (Sterling)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if “Actual/360” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula based as follows:



$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if “30E/360” or “Eurobond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately

following the last day included in the Interest Period, unless such number would be 31, in which case  $D_2$  will be 30;

- (g) if “30E/360 (ISDA)” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Interest Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“ $M_2$ ” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” 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 Maturity Date or (ii) such number would be 31 and in which case  $D_2$  will be 30; and

- (h) if “Actual/Actual (ISMA)” is specified in the relevant Final Terms, (A) if the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (B) if the Interest Period is longer than one Determination Period, the sum of: (x) the number of days in such Interest Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Interest 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 Periods normally ending in any year.

<b>“Delivery Agent”</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) or, if different, such other party as specified in the relevant Final Terms.
<b>“Determination Date”</b>	The date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.
<b>“Determination Period”</b>	Each period from (and including) an Interest Determination Date to (but excluding) the next Interest Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not an Interest Determination Date, the period commencing on the first Interest Determination Date prior to, and ending on the first Interest Determination Date falling after, such date).
<b>“DTC”</b>	The Depository Trust Company and any successor thereto.
<b>“Early Redemption Amount”</b>	An amount equal to the market value of each Note on the date of redemption, adjusted, if so specified in the relevant Final Terms, to account for Early Redemption Unwind Costs.
<b>“Early Redemption Unwind Costs”</b>	The amount specified in the relevant Final Terms or, if “Standard Early Redemption Unwind Costs” are specified in the relevant Final Terms, an amount determined by the Calculation Agent in its sole and absolute discretion equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Notes in the Specified Denomination.
<b>“EURIBOR”</b>	The Euro-zone inter-bank offered rate.
<b>“euro”</b>	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 on the European Union (signed in Maastricht on 7 February 1992) (the “ <b>EC Member States</b> ”).
<b>“Euroclear”</b>	Euroclear Bank S.A./N.V.
<b>“Exchange Act”</b>	The U.S. Securities Exchange Act of 1934.
<b>“Exchange Event”</b>	(i) an Event of Default (as defined in Condition 14) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream and/or, if applicable, Euroclear Netherlands and/or, if applicable, any other clearing system has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available.
<b>“Exercise Notice”</b>	Has the meaning contained in Condition 5(d).

<b>“Fiscal Agent”</b>	The Issuing and Paying Agent if the (Global) Notes are or will be deposited with Euroclear or Clearstream or the Euroclear Netherlands Fiscal Agent if the (Global) Notes are or will be solely deposited with Euroclear Netherlands.
<b>“Global Certificate”</b>	A permanent Registered global certificate which will initially represent Registered Notes issued by the Issuer which are sold in the United States to qualified institutional buyers within the meaning of Rule 144A under the Securities Act.
<b>“Holder”</b>	The bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).
<b>“Interest Commencement Date”</b>	The Issue Date unless otherwise specified in the relevant Final Terms.
<b>“Interest Determination Date”</b>	The date specified as such in the relevant Final Terms.
<b>“Interest Period”</b>	The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.
<b>“Interest Payment Date”</b>	The date on which interest for the relevant period falls due.
<b>“Interest Period End Date”</b>	The last day of each Interest Period.
<b>“Intervening Period”</b>	Such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.
<b>“Issue Price”</b>	The issue price of the Notes as specified in the relevant Final Terms.
<b>“LIBOR”</b>	The London inter-bank offered rate.
<b>“Margin”</b>	The margin applicable to the Notes as specified in the relevant Final Terms.
<b>“Maturity Date”</b>	The date of maturity of the Notes as specified in the relevant Final Terms.
<b>“Maximum Rate of Interest”</b>	The maximum rate of interest as specified in the relevant Final Terms.
<b>“Minimum Rate of Interest”</b>	The minimum rate of interest as specified in the relevant Final Terms.
<b>“Noteholder”</b>	(i) The several persons who are for the time being holders of outstanding Notes being the bearers thereof save that, in respect of the Notes of any Series, for so long as the Notes or any part of them are represented by a Global Note held on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, each person (other than Euroclear or Clearstream, Luxembourg and/or DTC, as applicable) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg

and/or of DTC, as applicable, as the holder of a particular nominal amount of the Notes of the Series (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC, as applicable as to the nominal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of that nominal amount of Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the holder of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of the Notes in accordance with and subject to the terms of the relevant Global Note, or (ii) the person in whose name a Registered Note is registered (as the case may be).

<b>“Obligatory Redemption”</b>	The obligation of the Issuer to redeem the Notes, in whole but not in part, on the applicable Obligatory Redemption Date(s) by payment of the applicable Obligatory Redemption Amount.
<b>“Obligatory Redemption Amount”</b>	Any amount calculated as specified in the relevant Final Terms.
<b>“Obligatory Redemption Date(s)”</b>	The date(s) specified in the relevant Final Terms as being the Obligatory Redemption Date(s).
<b>“Optional Redemption Amount”</b>	Any amount calculated in accordance with the relevant Final Terms.
<b>“Optional Redemption Date(s)”</b>	The date(s) specified in the relevant Final Terms as being the Optional Redemption Date(s).
<b>“Principal Protection”</b>	An amount equal to 100 per cent. of the Specified Denomination. For the avoidance of doubt, the Principal Protection does not apply if the Notes are purchased and cancelled or redeemed prior to the Scheduled Maturity Date or sold by a Noteholder prior to the Scheduled Maturity Date.
<b>“Protection Amount”</b>	In respect of a Series to which a Protection Amount is specified as applicable in the relevant Final Terms, means that the Final Redemption Amount will, subject to the relevant Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the nominal amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of a Tax Call, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default or such other events specified in the relevant Final Terms.
<b>“Record Date”</b>	Has the meaning contained in Condition 11(d)(ii).
<b>“Reference Rate”</b>	The rate specified as such in the relevant Final Terms.
<b>“Relevant Date”</b>	In respect of any Note, Receipt or Coupon, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which

notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Terms and Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Screen Page”	Such page, section, caption or column or other part of a particular information service as may be specified in the relevant Final Terms or any successor page, section, caption or column thereto.
“Securities Act”	The U.S. Securities Act of 1933.
“Specified Currency”	The currency of the Notes as specified in the relevant Final Terms.
“Specified Denomination”	The denomination of the Notes as specified in the relevant Final Terms.
“Sub-unit”	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.
“TARGET2”	The Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2).
“Treaty”	The Treaty establishing the European Community, as amended.

## 1. Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) as specified in the relevant Final Terms.

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Currency Linked Interest Note, a Commodity Linked Interest Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Fund Linked Interest Note, a Credit Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Final Terms.

This Note may be a Currency Linked Redemption Note, a Commodity Linked Redemption Note, an Index Linked Redemption Note, an Equity Linked Redemption Note, a Fund Linked Redemption Note, a Credit Linked Redemption Note, a Dual Currency Redemption Note, an Instalment Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the relevant Final Terms.

Currency Linked Notes are Currency Linked Interest Notes and Currency Linked Redemption Notes. Commodity Linked Notes are Commodity Linked Interest Notes and Commodity Linked Redemption Notes. Index Linked Notes are Index Linked Interest Notes and Index Linked Redemption Notes. Equity Linked Notes are Equity Linked Interest Notes and Equity Linked Redemption Notes. Fund Linked Notes are Fund Linked Interest Notes and Fund Linked Redemption Notes. Credit Linked Notes are Credit Linked Interest Notes and Credit Linked Redemption Notes. Dual Currency Notes are Dual Currency Interest Notes and Dual Currency Redemption Notes. This Note may be a combination of any of the foregoing, depending upon the Interest Basis and Redemption/Payment Basis set out in the relevant Final Terms.

Bearer Notes are represented either by a note in global form (“**Global Note**”) or by definitive Notes in bearer form (“**Definitive Notes**”).

Bearer Notes are serially numbered and, in the case of Definitive Notes, are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Notes, if specified in the relevant Final Terms, will be issued in the form of one or more Global Certificates without interest coupons, which may be deposited on the issue date either with (a) a common depositary on behalf of Euroclear and Clearstream or (b) a custodian for, and registered in the name of a nominee for, DTC.

Save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder. Notes sold in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by a Global Certificate in registered form.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery and title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement, unless applicable law provides otherwise or provides for additional formalities for transfer of title. In so far as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered Holder of the relevant Global Certificate shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note.

For so long as DTC or its nominee is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, as the case may be. References to DTC, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a

reference to any additional or alternative clearing system specified in the relevant Final Terms or as may otherwise be approved by the Issuer and the Fiscal Agent.

## **2. Transfers of Registered Notes**

### **(a) *Transfer of Registered Notes***

Transfers of beneficial interests in Global Certificates will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Certificates or for a beneficial interest in another Global Certificate only in the authorised denominations set out in the relevant Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate registered in the name of a nominee for DTC shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or such other form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer and the Fiscal Agent), duly completed and executed, together with any other evidence as the Registrar or Transfer Agent may reasonably require. In so far as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

### **(b) *Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholder's option, or a partial redemption of, in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### **(c) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in



writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) ***Exchange Free of Charge***

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an Option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(c), or (iii) after any such Note has been called for redemption.

(f) ***Transfers of Interests in Legended Notes***

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (ii) otherwise pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) In this Condition, the following expressions shall have the following meanings:

“**Legended Note**” means Registered Notes (whether in definitive form or represented by a Global Certificate) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A;

“**Regulation S**” means Regulation S under the Securities Act;

“**Rule 144A**” means Rule 144A under the Securities Act; and

“**Securities Act**” means the United States Securities Act of 1933.

### 3. **Status of the Notes**

Unless otherwise agreed between the Issuer and the relevant Dealer(s) in respect of any issue as set forth in the relevant Final Terms, the Notes and the Receipts and Coupons relating to them constitute unsubordinated and unsecured obligations of the Issuer and such Notes or, as the case may be, Receipts and Coupons shall at all times rank *pari passu* and without any preference among themselves and (subject as aforesaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

If the Issuer elects and so specifies in the relevant Final Terms, and subject to compliance with all relevant laws, regulations and directives, the Notes and the Receipts and Coupons relating thereto may constitute subordinated and unsecured obligations of the Issuer and such Notes or, as the case may be, Receipts and Coupons of the Issuer shall at all times rank *pari passu* and without any preference among themselves (save for certain provisions of mandatory law).

### 4. **Interest and Other Calculations**

#### (a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

Except as provided in the relevant Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resulting figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(b) ***Interest on Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes***

(i) Interest Payment Dates

Each Floating Rate Note, Currency Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, Index Linked Interest Note, Equity Linked Interest Note and Credit Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “**Interest Payment Date**”) in each year specified in the relevant Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If a Business Day Convention is specified in the relevant Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date 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 Condition 4(b)(i)(B) above, the floating rate convention (the “**Floating Rate Convention**”), such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* 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 Payment Date shall be the first preceding day that is a Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date 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 Payment Date shall be the first preceding day that is a Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be the first preceding day that is a Business Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes for each

Interest Period will be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination that may be specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction pursuant to the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, as published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Definitions**”) and under which:

1. the Floating Rate Option is as specified in the relevant Final Terms;
2. the Designated Maturity is a period specified in the relevant Final Terms; and
3. the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) 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 which appears or appear, as the case may be, on the relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Central European Time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Fiscal 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 Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the relevant Final Terms specify a Minimum Rate of Interest 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 paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the relevant Final Terms specify a Maximum Rate of Interest 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 paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of the Rate of Interest and Calculation of Interest Amounts

The Fiscal Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Credit Linked Interest Notes and Equity Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent or, as the case may be, the Calculation Agent will calculate the amount of interest (the “**Interest Amount**”) payable per Calculation Amount in respect of any Floating Rate Note, Currency Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, Index Linked Interest Note, Equity Linked Interest Note or Credit Linked Interest Note for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable in respect of such Note for such Interest Period shall equal the Interest Amount (or be calculated in accordance with such formula). Where the Specified Denomination of Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes is a multiple of the Calculation Amount, the amount of interest payable in respect of such Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes shall be the product of

the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Interest Amount payable on the Notes in respect of each Specified Denomination for the relevant Interest Period as soon as practicable after calculating the same.

(v) Notification of Rate of Interest and Interest Amounts

The Fiscal 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 Issuer, the Paying Agents and any stock exchange on which the relevant Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Equity Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 as soon as possible after their determination but in no event later than the fourth London 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) without prior notice 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 Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 19. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Zero Coupon Notes***

When a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 5(g)(i). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the relevant Final Terms. Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed or on such other calculation basis as may be specified in the relevant Final Terms.

(d) ***Interest on Dual Currency Notes***

In the case of Notes to which Dual Currency has been declared applicable, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(e) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

(f) ***Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal 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 Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 19,

provided that if Condition 10(b) or Condition 10(c) applies in respect of the Notes and:

- (A) **Accrual of Interest upon Credit Event** is specified as Not Applicable in the relevant Final Terms, each Note shall cease to bear interest from the Interest Period End Date immediately preceding the Credit Event Determination Date or, if the Credit Event Determination Date is an Interest Period End Date, such Interest Period End Date or, if the Credit Event Determination Date falls prior to the first Interest Period End Date, no interest shall accrue on the Notes; or
- (B) **Accrual of Interest upon Credit Event** is specified as being Applicable in the relevant Final Terms, each Note shall cease to bear interest from the Credit Event Determination Date; and

provided further that if:

- (C) Condition 10(d) or Condition 10(e) applies in respect of the Notes and, in the case of Condition 10(d), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Condition 10(e) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (D) Condition 10(f) applies in respect of the Notes and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in Condition 10(d), Condition 10(e) or Condition 10(f), as the case may be.

## **5. Redemption and Purchase**

### **(a) *Redemption on the Maturity Date***

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms in the relevant Specified Currency.

### **(b) *Redemption for Taxation Reasons (Tax Call)***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 days' notice (or such other period of notice specified in the relevant Final Terms) to the Noteholders in accordance with Condition 19 (which notice shall be irrevocable) at the Early Redemption Amount (together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption) if:

- (i) on the occasion of the next payment or delivery due pursuant to the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 or to account to any taxing authority in the Netherlands for any amount (other than tax withheld or deducted from interest payable on such Notes) in respect of such payment in each case as a result of any change in, or amendment to, the laws or regulations of the Netherlands (or any other relevant business jurisdiction of the Issuer, as referred to in Condition 12) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date or the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by an executive director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

### **(c) *Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified as applicable in the relevant Final Terms, the Issuer may, upon giving:

- (i) not less than five nor more than 30 Business Days' notice (or such other notice period specified in the relevant Final Terms) to the Noteholders in accordance with Condition 19; and
- (ii) not less than seven Business Days prior to the giving of the notice referred to in sub-paragraph (i) above, notice to the Fiscal Agent,

which notices shall be irrevocable, redeem all or, if so provided, some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must, if applicable, be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, each as specified in the relevant Final Terms.



In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream and/or DTC in the case of Redeemed Notes represented by a Global Note or Global Certificate, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 not less than 15 days prior to the date fixed for redemption.

The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note or Global Certificate shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note or Global Certificate will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 at least five days prior to the Selection Date.

(d) ***Redemption at the Option of Noteholders (Investor Put)***

If Investor Put is specified as applicable in the relevant Final Terms, upon the Noteholder giving to the Issuer in accordance with Condition 19 not less than 15 nor more than 30 days’ notice (or such other notice period as may be specified in the relevant Final Terms) in respect of a Note, the Issuer will upon expiry of such notice redeem such Note on any Optional Redemption Date(s) at the Optional Redemption Amount specified in, or determined in the manner specified in the relevant Final Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

To exercise such option or any other Noteholder’s option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date), the Noteholder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Issuer, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If this Note is represented by a Global Note or a Global Certificate or is in definitive form and held through Euroclear, Clearstream or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, DTC or any depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear, Clearstream and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Fiscal Agent for notation accordingly.

Any Exercise Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream and DTC given by a holder of any Note pursuant to this Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and,

in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(d) and instead to declare such Note forthwith due and payable pursuant to Condition 14.

(e) ***Redemption for Illegality***

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer, having given not less than 10 nor more than 30 days' notice to Noteholders, in accordance with Condition 19 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(f) ***Obligatory Redemption***

If Obligatory Redemption is specified as applicable in the relevant Final Terms, the Issuer has the obligation to redeem all, but not some only, of the Notes, in whole but not in part, on any Obligatory Redemption Date(s) at the Obligatory Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

(g) ***Early Redemption Amounts***

(i) ***Zero Coupon Notes***

- (A) The Early Redemption Amount payable in respect of a Zero Coupon Note shall be an amount (the "**Amortised Face Amount**"), calculated as provided below, of such Note, unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the "**Amortisation Yield**" (which, if none is specified in the relevant Final Terms, shall be such rate as would produce the Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount in respect of any such Note upon its redemption pursuant to Condition 5(b), Condition 5(e) or upon it becoming due and payable as provided in Condition 14 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note and defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Notes become due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with sub-paragraph (B) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Notes on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is made for a period less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(ii) *Other Notes*

For the purposes of Condition 5(b), 5(e) and Condition 14, the Notes will be redeemed at the Early Redemption Amount, unless otherwise specified in the relevant Final Terms.

(h) *Instalments*

Instalment Notes will be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(g).

(i) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the relevant Final Terms.

(j) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(k) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (i) above (together with, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

(l) *Late Payment on Notes on which no Interest is Due*

If the amount payable in respect of a Note on which no interest is due upon redemption of such Note pursuant to paragraph (a), (b) or (c) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount of interest due and payable on such outstanding amount, which has become due and repayable, shall be EONIA (Effective Overnight Interest Average), from and including the fifth day after the day on which the amount payable on such Note has become due until but excluding the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 19.

## 6. **Currency Linked Redemption Notes and Commodity Linked Redemption Notes**

Provisions relating to the redemption of Currency Linked Redemption Notes and Commodity Linked Redemption Notes will be determined in the manner specified in the relevant Final Terms.

## 7. **Index Linked Notes**

### (a) ***Redemption of Index Linked Redemption Notes***

Unless previously redeemed or purchased and cancelled, each Index Linked Redemption Note will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms.

### (b) ***Adjustments to an Index and Additional Disruption Events***

#### (i) **Successor Index Sponsor Calculates and Reports an Index**

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

#### (ii) **Modification and Cessation of Calculation of an Index**

If (A) on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”), or (B) on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and, if so, to calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) give notice to the Noteholders in accordance with Condition 19 and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

#### (iii) **If Additional Disruption Events are specified as applicable in the relevant Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:**

(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 the Final

Redemption Amount and/or the Strike Level and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Index, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (B) give notice to the Noteholders in accordance with Condition 19 and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 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.

- (iv) Notice

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 19 giving details of the action proposed to be taken in relation thereto.

- (v) Correction of the Reference Level

In the event that any price or level published by the Index Sponsor which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange or, if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

(c) ***Definitions Applicable to Index Linked Notes***

**“Additional Disruption Event”** means Change in Law, Hedging Disruption, Increased Cost of Hedging or any other Additional Disruption Event, in each case if specified as applicable in the relevant Final Terms.

**“Averaging Date”** means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day, and if:

- (i) “Omission” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for purposes of determining the relevant Reference Level. If through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then the provisions relating to Valuation Dates will apply for the purposes of determining the relevant level for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (ii) “Postponement” is specified in the relevant Final Terms, then the provisions relating to Valuation Dates will apply for the purpose of determining the relevant Reference Level for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date; or
- (iii) “Modified Postponement” is specified in the relevant Final Terms, then:
  - (A) where the Index Linked Notes are specified in the relevant Final Terms to relate to a single Index, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (ii) the Calculation Agent shall determine the level of the Index for that Averaging Date in accordance with the provisions relating to Valuation Date; or
  - (B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date in respect of the relevant Valuation Date and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Valid Date in relation to such Affected Index. If the first succeeding Valid Date in respect of the Affected Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date

(irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index, and (ii) the Calculation Agent shall determine the level of that Index for that Averaging Date in accordance with the provisions relating to Valuation Date; and

- (C) **“Valid Date”** shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

**“Basket”** means a basket comprising each Index specified in the relevant Final Terms in the relative proportions specified in the relevant Final Terms.

**“Change in Law”** means that, on or after the Trade Date of any Notes (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (X) it has become illegal to hold, acquire or dispose of shares that comprise the Index relating to its hedge position in respect of such Notes, or (Y) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

**“Disrupted Day”** means:

- (i) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which the relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor fails to publish the level of the Index (provided that such failure may instead constitute an Index Adjustment Event for the Index, if so determined by the Calculation Agent in its sole and absolute discretion), (B) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (C) a Market Disruption Event has occurred.

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

<b>“Exchange”</b>	<p>(i) means, where the relevant Index is <b>not</b> specified in the relevant Final Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).</p> <p>(ii) means, where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, in relation to each component security of that Index (each, a Component Security), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.</p>
<b>“Exchange Business Day”</b>	<p>(i) means, where the relevant Index is <b>not</b> specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.</p> <p>(ii) means, where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor publishes the level of the Index and (B) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to the Scheduled Closing Time.</p>
<b>“Exchange Disruption”</b>	<p>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: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or option contracts relating to the Index on any Related Exchange.</p>
<b>“Final Redemption Amount”</b>	<p>means the Final Redemption Amount specified in the relevant Final Terms.</p>
<b>“Hedging Disruption”</b>	<p>means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).</p>
<b>“Increased Cost of Hedging”</b>	<p>means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other</p>



price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**“Index” or “Indices”**

mean, subject to adjustment in accordance with Condition 7(b), the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly.

**“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 is the index sponsor specified for such Index in the relevant Final Terms.

**“Market Disruption Event”**

means, in respect of an Index:

- (i) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index:
- (A) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (x) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (i) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
    - (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
  - (y) any event (other than an event described in (i) below) 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) securities/commodities 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,

which in either case the Calculation Agent determines is material; or

- (B) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per

cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (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.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

(ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index:

(A) the occurrence or existence, in respect of any Component Security, of:

(x) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(y) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(z) an Early Closure in respect of such Component Security; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(B) the occurrence or existence, in each case in respect of futures or option contracts relating to the Index, of (x) a Trading Disruption, or (y) 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 (z) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in

respect of a Multi-Exchange Index exists at any time, if an Early Closure, an Exchange Disruption or a Trading Disruption occurs in respect of a Component Security or a Market Disruption Event occurs in respect of such Component Security included in the Index at any time, then the relevant percentage contribution of that Component Security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security/commodity and (ii) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market “opening data” immediately before the occurrence of such Market Disruption Event, Early Closure, Exchange Disruption or Trading Disruption, as the case may be, in respect of such Component Security.

**“Multi-Exchange Index”**

means an Index identified or specified as such in the relevant Final Terms.

**“Multiplier”**

means the weight of each of the Indices comprising the Basket, as specified in the relevant Final Terms.

**“Observation Date(s)”**

means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Level in the manner set out in the relevant Final Terms or, if not set out or not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Level in the manner set out in the relevant Final Terms or, if not set out or if not so practicable, determine the Reference Level in accordance with its

good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day.

**“Observation Period”**

means the period specified as such in the relevant Final Terms.

**“Reference Level”**

means:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index published by the Index Sponsor on the relevant date, as determined by the Calculation Agent (or, if a Valuation Time other than the Scheduled Closing Time is specified in the relevant Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) (or if, in the opinion of the Calculation Agent, no such official closing level (or, as the case may be, level at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless Disrupted Day is specified as applicable in the relevant Final Terms and the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Index as of the actual closing time of the Exchange on the relevant date (or the value of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms)); and
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor on the relevant date, as determined by the Calculation Agent (or, if a Valuation Time other than the Scheduled Closing Time is specified in the relevant Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date) (or if, in the opinion of the Calculation Agent, no such official closing level (or level at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless Disrupted Day is specified as applicable in the relevant Final Terms and the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Index as of the actual closing time of the Exchange on the relevant date (or the value of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms))), multiplied by the relevant Multiplier specified in the relevant Final Terms.

**“Related Exchange”**

means, in relation to an Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute

exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

**“Scheduled 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.

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

**“Scheduled Trading Day”** means:

- (i) where the relevant Index is specified in the relevant Final Terms as **not** being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or
- (ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index (A) any day on which the Index Sponsor is scheduled to publish the level of that Index and (B) each Related Exchange is scheduled to be open for trading for its regular trading session.

**“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.

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

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; 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 relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the 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, where practicable, determine the Reference Level in the manner set out in the relevant Final Terms, or, if not set out or not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an Affected Index) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Level in the manner set out in the relevant Final Terms or, if not set out or if not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day.

**“Valuation Time”**

means:

- (i) where the relevant Index is specified in the relevant Final Terms as **not** being a Multi-Exchange Index, the Valuation Time specified in the relevant Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) where the relevant Index is specified in the relevant 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.

## 8. Equity Linked Notes

### (a) *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each Equity Linked Redemption Note will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the relevant Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the relevant Final Terms, by delivery of the Asset Amount specified in, or determined in the manner specified in, the relevant Final Terms (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the relevant Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the relevant Final Terms, in each case on the Maturity Date (subject as provided below).

### (b) *Potential Adjustment Events, Delisting, Merger Event, Tender Offer, Nationalisation and Insolvency, Additional Disruption Events and Adjustments for Equity Linked Notes in respect of Equities quoted in European Currencies*

(i) Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so:

- (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Equity, to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity), and determine the effective date of that adjustment; or
- (B) by giving notice to the Noteholders in accordance with Condition 19, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(i)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon the making of an adjustment pursuant to Condition 8(b)(i)(A) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Noteholders in accordance with Condition 19 stating any adjustments made, together with brief details of the Potential Adjustment Event, provided that any failure to give such notice will not affect the validity of such adjustment.

(ii) Following the occurrence of a Delisting, Merger Event, Nationalisation, Insolvency or a Tender Offer, in each case, in relation to an Equity:

- (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final

Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Equity, to account for the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 19, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(ii)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall, as soon as practicable thereafter, give notice to the Noteholders in accordance with Condition 19 stating the occurrence of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give such notice will not affect the validity of any such action to be taken .

- (iii) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then if an Additional Disruption Event occurs:

- (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Equity, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 19, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 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.

- (iv) Adjustments for Equity Linked Notes in respect of Equities quoted in European Currencies

In respect of Equity Linked Redemption Notes relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the relevant Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines in its sole and absolute discretion to



be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 8(b)(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

(v) **Correction of the Reference Price**

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

(c) ***Physical Delivery***

(i) If Physical Delivery is specified as applicable in the relevant Final Terms in respect of any Equity Linked Redemption Note, the Asset Amount comprising the Relevant Assets will be delivered at the risk of the Noteholder on the Delivery Date, provided that the Asset Transfer Notice (defined below) is only delivered in respect of such Note:

- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver or have delivered to Euroclear or Clearstream (as applicable), with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice; and
- (B) if such Note is a Definitive Note, the relevant Noteholder must deliver such note to any Paying Agent, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

If this Note is a Definitive Note, it must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- I. specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the relevant Final Terms;

- II. in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date (as defined below);
- III. include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, as the case may be, in respect thereof and to pay such Delivery Expenses;
- IV. specify an account to which dividends (if any) payable pursuant to this Condition 8(c) or any other cash amounts specified in the relevant Final Terms as being payable are to be paid; and
- V. authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream or a Paying Agent, as the case may be, as provided above. After delivery of Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the relevant Final Terms.

In relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-off Date specified in the relevant Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which

case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

- (ii) All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After delivery of the Asset Amount and for 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 Noteholder 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 or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder 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 or obligations.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder, in accordance with Condition 19. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this paragraph. Where delivery of the Asset Amount has been postponed as provided in this paragraph, the Issuer shall not be in breach of these Terms and Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note 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 Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the “**Election Notice**”) is given to the Noteholders in accordance with Condition 19. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder’s entire holding may be aggregated at the Issuer’s discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19.

For the purposes of the Notes (i) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the

register of members of any Equity Issuer and (ii) any interest, dividend or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Equity executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such interest, dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

(iii) If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Asset Amount (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

(A) subject as provided elsewhere in these Terms and Conditions and/or the relevant Final Terms, any Relevant Assets which are not Affected Relevant Assets will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 8(c); and

(B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Noteholders in accordance with Condition 19. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Noteholders in accordance with Condition 19 that the provisions of this Condition 8(c)(iii) apply.

(d) ***Partial Lookthrough Depository Receipt Provisions***

(i) Where the relevant Final Terms specify that the “Partial Lookthrough Depository Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 8(d) shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8(d).

(ii) The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

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

(A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;

(B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities specified in the relevant Final Terms of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the

Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, 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 Equity Issuer or Underlying Equity Issuer, as appropriate, 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;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; and
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

(iii) If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes,

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the Notes, as the case may be

(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity), following the Potential Adjustment Event. The Calculation Agent may (among other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem the Notes upon prior notice made to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

- (iv) The definitions of “Merger Event” and “Tender Offer” shall be amended in accordance with the DR Amendment.
- (v) If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Equity, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (vi) The definitions of “Nationalisation”, “Insolvency” and “Delisting” shall be amended in accordance with the DR Amendment.
- (vii) Notwithstanding anything to the contrary in the definition of “Delisting”, a Delisting shall not occur in respect of any Underlying Equity if such Underlying Equities are immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.
- (viii) If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depository, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.
- (ix) If the Calculation Agent determines that a Delisting of Equities has occurred or if the Depository announces that the Deposit Agreement is (or will be terminated), then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.
- (x) The definition of “Insolvency Filing” shall be amended in accordance with the DR Amendment.
- (xi) The definition of “Change in Law” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 8(d) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

(e) ***Full Lookthrough Depository Receipt Provisions***

(i) Where the relevant Final Terms specify that the “Full Lookthrough Depository Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 8(e) shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8(e).

(ii) The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

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

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities specified in the relevant Final Terms of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, 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 Equity Issuer or Underlying Equity Issuer, as appropriate, 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;

(G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; and

(H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

(iii) If the Calculation Agent determines that:

(A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred in respect of any Underlying Equities; or

(B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem the Notes upon prior notice made to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

(iv) The definitions of “Merger Event” and “Tender Offer” shall be amended in accordance with the DR Amendment.

(v) If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Equities, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

(vi) The definitions of “Nationalisation”, “Insolvency” and “Delisting” shall be amended in accordance with the DR Amendment.



- (vii) If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depository, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.
- (viii) If the Calculation Agent determines that a Delisting of Equities has occurred or if the Depository announces that the Deposit Agreement is (or will be terminated), then notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early, and following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.
- (ix) The definition of any Additional Disruption Event specified as applicable in the relevant Final Terms shall be amended in accordance with the DR Amendment.
- (x) The definitions of “Exchange Business Day”, “Scheduled Closing Time”, “Scheduled Trading Day”, “Trading Disruption”, “Exchange Disruption”, “Early Closure” and “Disrupted Day” which relate to the Exchange shall be deemed to include a reference to the primary exchange on which the Underlying Equities are traded, as determined by the Calculation Agent.
- (xi) The definitions of “Exchange Disruption”, “Market Disruption Event” and “Trading Disruption” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 8(e) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

(f) ***Definitions applicable to Equity Linked Notes***

<b>“Additional Disruption Event”</b>	means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing or any other Additional Disruption Event, in each case if specified as applicable in the relevant Final Terms.
<b>“Asset Transfer Notice”</b>	means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.
<b>“Asset Amount”</b>	has the meaning given in the relevant Final Terms.
<b>“Averaging Date”</b>	means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day, and if:

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

(C) “Valid Date” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

<b>“Basket”</b>	means a basket composed of the Equities specified in the relevant Final Terms in the relative proportions or numbers of Equities specified in the relevant Final Terms.
<b>“Change in Law”</b>	means that, on or after the Trade Date of any Notes (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (X) it has become illegal to hold, acquire or dispose of Equities relating to its hedge position in respect of such Notes, or (Y) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).
<b>“Clearance System”</b>	means, in respect of an Equity where physical delivery is applicable, the principal domestic clearance system customarily used for settling trades in such Equity or any successor to such clearance system as determined by the Calculation Agent, or such other clearance system specified in the relevant Final Terms or any successor to such clearance system as determined by the Calculation Agent.
<b>“Clearance System Business Days”</b>	means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.
<b>“Cut-off Date”</b>	means the Valuation Date or such other date specified in the relevant Final Terms.
<b>“Delisting”</b>	means, in respect of any relevant Equities, the Exchange announces that, pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).
<b>“Delivery Expenses”</b>	means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.
<b>“Deposit Agreement”</b>	means, in relation to the Equities, the agreements or other instruments constituting the Equities, as from time to time amended or supplemented in accordance with their terms.
<b>“Depository”</b>	means, where the relevant Final Terms specifies that either, the “Partial Lookthrough Depository Receipt Provisions” or the “Full Lookthrough Depository Receipt Provisions”, shall apply to an Equity, the issuer of the Equities or any successor issuer of the Equities from time to time.
<b>“Disrupted Day”</b>	means 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.

**“Disruption Cash Settlement Price”**

means an amount equal to the market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Terms and Conditions 4 and 8) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

**“DR Amendment”**

means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Final Terms, Exchange Disruption, Market Disruption Event and Trading Disruption, that the following changes shall be made to such definition or provision where provided for in Condition 8: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.

**“Early Closure”**

means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its 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 or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Equity” or “Equities”**

means the share(s) or other securities specified in the relevant Final Terms.

**“Equity Issuer”**

means, in respect of an Equity, the issuer of such Equity.

**“Exchange”**

means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”**

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

**“Exchange Disruption”**

means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Equities on the Exchange, or (ii) to

effect transactions in, or obtain market values for, futures or options contracts relating to the Equities on any relevant Related Exchange.

<b>“Failure to Deliver Settlement Price”</b>	means, in respect of each nominal amount of the Notes equal to the lowest Specified Denomination, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.
<b>“Final Redemption Amount”</b>	means the Final Redemption Amount specified in the relevant Final Terms.
<b>“Hedging Disruption”</b>	means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
<b>“Increased Cost of Hedging”</b>	means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, 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.
<b>“Insolvency”</b>	means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.
<b>“Insolvency Filing”</b>	means that the Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.
<b>“Market Disruption Event”</b>	means, in respect of an Equity, the occurrence or existence of (i) a Trading Disruption, (ii) Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, as the case may be, or (iii) an Early Closure.

<b>“Merger Date”</b>	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.
<b>“Merger Event”</b>	means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (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 Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a <b>“Reverse Merger”</b> ), in each case if the Merger Date is on or before the Valuation Date or, if the Notes are to be redeemed by delivery of Equities, the Maturity Date.
<b>“Multiplier”</b>	means the weight of each of the Equities comprising the Basket as specified in the relevant Final Terms.
<b>“Nationalisation”</b>	means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
<b>“Observation Date(s)”</b>	<p>means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:</p> <ul style="list-style-type: none"> <li data-bbox="435 1547 1449 1921">(i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or</li> <li data-bbox="435 1960 1449 2022">(ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, the Observation Date for each Equity not affected by the</li> </ul>

occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day.

**“Observation Period”**

means the period specified as such in the relevant Final Terms.

**“Potential Adjustment Event”**

means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Equities specified in the relevant Final Terms of (i) such Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);
- (iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of an Equity Issuer, 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 Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

- (vii) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities.

**“Reference Price”** means:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless Disrupted Day is specified as applicable in the relevant Final Terms and the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms)). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the relevant Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, unless Disrupted Day is specified as applicable in the relevant Final Terms and the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms)), multiplied by the relevant Multiplier. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

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



Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

<b>“Relevant Assets”</b>	means the assets specified as such in the relevant Final Terms.
<b>“Replacement DRs”</b>	means depository receipts other than the Equities over the same Underlying Equities.
<b>“Scheduled Closing Time”</b>	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.
<b>“Scheduled Observation Date”</b>	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.
<b>“Scheduled Trading Day”</b>	means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.
<b>“Scheduled Valuation Date”</b>	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
<b>“Settlement Cycle”</b>	means, in respect of an Equity, the period of Clearance System Business Days following a trade in such Equities on the Exchange in which settlement will customarily occur according to the rules of the Exchange and, in respect of an Exchange-traded contract that relates to such Equity, the period of Exchange Business Days following a trade in such Exchange-traded contract on the Exchange in which settlement will customarily occur according to the rules of such Exchange.
<b>“Settlement Disruption Event”</b>	means an event beyond the control of the Issuer (including but not limited to non-delivery of the Asset Amount by a counterparty to an agreement entered into by the Issuer and/or its Affiliates to hedge the Notes) as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Terms and Conditions and/or the relevant Final Terms is not practicable.
<b>“Tender Offer”</b>	means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.
<b>“Trade Date”</b>	means the date specified as such in the relevant Final Terms.
<b>“Trading Disruption”</b>	means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Equity on the Exchange, or (ii) in futures or options contracts relating to the Equity on any relevant Related Exchange.

<p><b>“Underlying Equity” or “Underlying Equities”</b></p>	<p>means the share(s) or other securities which are the subject of the Deposit Agreement.</p>
<p><b>“Underlying Equity Issuer”</b></p>	<p>means the issuer of the Underlying Equities.</p>
<p><b>“Valuation Date”</b></p>	<p>means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:</p> <ul style="list-style-type: none"> <li>(i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the 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, where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or</li> <li>(ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (each an <b>“Affected Equity”</b>) relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the relevant Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day.</li> </ul>
<p><b>“Valuation Time”</b></p>	<p>means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Equity to be valued or such other time specified in the relevant Final Terms. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.</p>

## 9. Fund Linked Notes

### (a) *Redemption of Fund Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each Fund Linked Redemption Note will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms.

### (b) *Adjustments in relation to a Trigger Event*

Each of the following events in respect of a Reference Fund, as determined by the Calculation Agent in its sole and absolute discretion, constitutes a “**Trigger Event**”:

- (i) all the Fund Interests or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof (a “**Nationalisation**”);
- (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the Fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interests of that Reference Fund become legally prohibited from transferring or redeeming them (an “**Insolvency**”);
- (iii) the Reference Fund or a Fund Service Provider:
  - (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);
  - (B) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
  - (C)
    - (I) 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
    - (II) 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 paragraph (A) above and either:
      - (x) results in a judgment of insolvency or bankruptcy or the entry of an order of 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 and presentation thereof;

- (D) 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;
  - (E) 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
  - (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (A) to (E) (inclusive) above (all of which shall be termed, a **“Fund Insolvency Event”**);
- (iv) in respect of any Reference Fund, (a) the resignation, termination or replacement of its Fund Adviser or any Fund Service Provider, (b) the resignation, termination, death or replacement of any key person specified in the relevant Final Terms or (c) any change in the personnel of the Fund Adviser or any Service Provider which the Calculation Agent considers material (a **“Key Person Event”**);
  - (v) any actual or anticipated material breach or violation of any strategy or investment guidelines stated in the Fund Documents that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof (in each case as determined by the Calculation Agent in its sole and absolute discretion) (a **“Strategy Breach”**);
  - (vi) the cancellation, suspension or revocation of the registration or approval of any Fund Interest of the related Reference Fund or any Fund Service Provider by any governmental, legal or regulatory entity with authority over such Reference Fund or Fund Service Provider;
  - (vii) any change in the legal, tax, accounting or regulatory treatments of the relevant Reference Fund or any Fund Service Provider that is reasonably likely to have an adverse effect on the value of the relevant Fund Interest or on any investor therein (as determined by the Calculation Agent in its sole and absolute discretion);
  - (viii) the related Reference Fund or any of its Fund Service Providers becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund or such Fund Service Provider (all of (vi) to (viii) shall be termed **“Regulatory Action”**);
  - (ix) in respect of any Fund Interest, (i) the occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the relevant Final Terms or, if no such time period is specified, the foreseeable future; (ii) any failure of the related Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund’s, or its authorised representative’s, normal practice and that the Calculation Agent deems necessary to monitor such Reference Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests (a **“Reporting Disruption”**);

- (x) any material change or modification of the related Fund Documents or investment procedures (including but not limited to, the Reference Fund's (i) strategy, (ii) investment guidelines, (iii) liquidity, where such a change in liquidity results in an increase in volatility, (iv) types of investments in which the Reference Fund invests, their liquidity, term, credit risk and diversification and (v) accounting currency), in each case as compared with those prevailing on the Issue Date that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case as determined by the Calculation Agent and as compared with those prevailing on the Issue Date (a "**Fund Modification**");
- (xi) any event or circumstance that results or is likely to result in a Hypothetical Investor being unable, or it being impractical, to purchase, redeem for cash, hold or transfer Fund Interest Units, including but not limited to, the suspension by the Reference Fund of Fund Interest Units subscriptions or redemptions and compulsory redemptions;
- (xii) a Hypothetical Investor is subject to new or more onerous restrictions on its ability to subscribe for, transfer or redeem, Fund Interest Units (including but not limited to, the imposition of, or increase in, fees or charges in relation to redemptions, subscriptions or transfers of Fund Interest Units) or a change in the voting rights attached to the Fund Interest Units, in each case as compared with those (if any) applicable to the Hypothetical Investor on the Issue Date;
- (xiii) a Hypothetical Investor is prevented, due to circumstances beyond its control, from remitting (i) subscription moneys and/or redemption proceeds in respect of the Fund Interest Units; or (ii) any payments relating to any over-the-counter derivative transaction(s) linked to the Fund Interest Units (all of (xi) to (xiii) shall be termed a "**Fund Hedging Disruption**");
- (xiv) a Hedging Party would incur:
  - (A) a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit as a result of entering into and performing its obligations with respect to the issue of a security similar to the Notes, and any costs associated with unwinding any hedge positions relating to a security similar to the Notes; and
  - (B) an increase in charges or fees imposed by the Reference Fund on any investor's ability to redeem Fund Interest Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in the Fund Interest Units (both of which shall be termed an "**Increased Cost of Hedging**");
- (xv) on or after the Issue Date, due to the:
  - (A) adoption of or any change in any applicable law or regulation (including, without limitation, any tax law); or
  - (B) 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 (a) it has become illegal to hold, acquire or dispose of Fund Interests or (b) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any adverse effect on its tax position) (a "**Change in Law**");

- (xvi) the Fund Administrator or the Reference Fund fails, for any reason other than of a technical or operational nature, to calculate and announce the official Fund Interest Price within the number of days specified in the relevant Final Terms of the date on which such Fund Interest Price was originally scheduled to be announced (a “**NAV Disruption Event**”);
- (xvii) any legal action, suit or proceeding has been taken or brought, or is threatened or pending, against the Reference Fund or any of its Fund Service Providers which, if resolved against the Reference Fund or Fund Service Provider has, or would have, a material adverse effect on the reputation of the Reference Fund and/or the price of its Fund Interest Units (a “**Legal Action**”);
- (xviii) a Reference Fund fails to satisfy the requirements of the Calculation Agent’s initial and ongoing due diligence process and other internal control procedures (as such procedures may be amended from time to time) (a “**Due Diligence Failure**”);
- (xix) (i) the Reference Fund and/or the Fund Manager and/or the Fund Adviser fail to execute a Trading Agreement, if required by the Calculation Agent, or (ii) any breach, violation or termination by the Reference Fund and/or the Fund Manager and/or the Fund Adviser of the Trading Agreement (a “**Trading Agreement Event**”);
- (xx) the official Fund Interest Price of the Fund Interest Units has decreased by an amount equal to or greater than the percentage amount specified in the relevant Final Terms during the period specified in the relevant Final Terms (a “**NAV Trigger Event**”);
- (xxi) the aggregate nominal amount of the Notes minus the nominal amount of the Notes repurchased and/or cancelled by the Issuer at any time is less than USD 200,000 (or such other amount as specified in the relevant Final Terms) or its equivalent in the Specified Currency (the “**Minimum Outstanding Amount of Notes**”);
- (xxii) the material alteration of the stated benchmark of the Reference Fund, as specified in the relevant Final Terms (a “**Benchmark Change**”);
- (xxiii) means, in respect of any Fund Interests, any (i) reclassification or change of such Fund Interests that results in a transfer of or an irrevocable commitment to transfer all or any of such Fund Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Reference Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Fund is the continuing entity and which does not result in a reclassification of or change to any Fund Interests), (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 Fund Interests of any particular Reference Fund that results in a transfer of or an irrevocable commitment to transfer all such Fund Interests (other than such Fund Interests owned or controlled by such other entity or person) or (iv) consolidation, amalgamation, merger or binding share exchange of a Reference Fund or any subsidiaries thereof with or into another entity in which such Reference Fund is the continuing entity and which does not result in a reclassification of or change to all Fund Interests outstanding of such Reference Fund but results in such outstanding Fund Interests (other than the Fund Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Interests immediately following such event (an “**Organisational Change**”);
- (xxiv) the aggregate net asset value of assets managed by the Fund Adviser on behalf of the Reference Fund falls below EUR 200,000,000 (or such other amount as specified in the

relevant Final Terms) or its equivalent in the Specified Currency (an “**Assets Under Management Trigger**”);

- (xxv) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;
- (xxvi) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund 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;
- (xxvii) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, to be extraordinary);
- (xxviii) a repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents;
- (xxix) any other event that the Calculation Agent determines may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest (all of (xxv) to (xxix) shall be termed “**Potential Adjustment Events**”);
- (xxx) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Reference Fund) in respect of the Reference Fund which mandatorily obliges a Hypothetical Investor to sell or otherwise dispose of any Fund Interests (a “**Compulsory Disposal Event**”);
- (xxxi) the currency of denomination of the Fund Interests is amended and/or the net asset value of the Fund Interests is no longer calculated in the currency that applied when the same first became invested in (whether directly or indirectly) by the Issuer (a “**Currency Change**”);
- (xxxii) any gate, suspension, or side pocketing imposed on Fund Interests by the Reference Fund or any impairment to the actual or documented liquidity terms of (i) the Fund Interests or (ii) any other similar fund managed by the same manager as manages the Reference Fund, as determined in the sole and absolute discretion of the Calculation Agent (a “**Liquidity Impairment**”);
- (xxxiii) significant market, trading or exchange disruption and/or crisis in the major financial markets (a “**General Disruption**”); and/or
- (xxxiv) any other event specified in the relevant Final Terms as a Trigger Event (“**Additional Trigger Events**”).

Following the occurrence of a Trigger Event (and regardless of whether or not such event is then continuing) in respect of a Reference Fund (such Reference Fund being the “**Affected Reference Fund**”), its Fund Adviser or any of its Fund Service Providers, the Calculation Agent may, in its sole and absolute discretion, take one or more of the following actions (each a “**Permitted Action**”):

- (i) (a) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms relating to the Terms and Conditions of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Trigger Event and (b) determine the effective date of such adjustments;
- (ii) (a) select a replacement fund (the “**Successor Reference Fund**”) which the Calculation Agent determines, in its sole and absolute discretion, has a similar strategy, style, liquidity as the Affected Reference Fund and (b) select the appropriate date (the “**Substitution Date**”) for the notional replacement of the Affected Fund by the Successor Reference Fund.

Following any such selection, (a) the Successor Reference Fund shall replace the Affected Reference Fund on the Substitution Date, (b) references herein to the Reference Fund shall be deemed to be references to the Successor Reference Fund with effect from the Substitution Date and (c) the Calculation Agent shall, in good faith, make such adjustments as it determines to be necessary, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the Notes to reflect such substitution; and/or

- (iii) (a) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Terms and Conditions of the Notes as the Calculation Agent determines are necessary to reflect a notional liquidation of all Fund Interests (with the timing of such notional liquidation being the same timing as would be the case on an actual liquidation of Fund Interests) and a notional investment of the Removal Value in a notional zero coupon bond or such other money market instruments, determined by the Calculation Agent in its sole and absolute discretion, for the remainder of the term of the Notes and (b) determine the effective date of the notional liquidation of the Fund Interests.

Notwithstanding that the Calculation Agent may have previously determined not to take a Permitted Action or has already taken a Permitted Action, it may decide to adopt an additional or different Permitted Action in respect of the same Trigger Event. In such respect, the Calculation Agent may make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Terms and Conditions or relating to the Notes as the Calculation Agent determines appropriate to account for the carrying out of the additional or different Permitted Action. Following the occurrence of a Trigger Event, if the Calculation Agent determines, in its sole and absolute discretion, that it is necessary to do so, the Issuer shall, as soon as reasonable practicable thereafter, give notice to the Noteholders in accordance with Condition 19, and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

For the avoidance of doubt, where there is more than one Trigger Event in occurrence at the same time, these provisions apply separately to each such occurrence. The Calculation Agent has no obligation to actively monitor or determine whether or not any of the above Trigger Events has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Trigger Event. For the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Noteholders or any other person in connection with the Notes as a result thereof.

Upon making an adjustment pursuant to the above, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 stating the adjustment and giving brief details of the Trigger Event, provided that any failure to give such notice will not affect the validity of such adjustment.



(c) ***Disrupted Days***

(i) *Valuation Dates*

If the Calculation Agent determines that, in its sole and absolute discretion, any Valuation Date on which the Fund Interest Price is to be determined is a Disrupted Day, then such Valuation Date shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Cut-off Period is a Disrupted Day. In that case, (a) the final Fund Business Day of the Cut-off Period shall be deemed to be such Valuation Date and (b) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest as its good faith estimate of the Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on the final Fund Business Day of the Cut-off Period.

(ii) *Averaging Dates*

If the Calculation Agent determines that any Averaging Date is a Disrupted Day and if:

(A) “Omission” is specified in the relevant Final Terms, then such Averaging Date shall be deemed not to be an Averaging Date for the purposes of determining the Fund Interest Price of the relevant Fund Interest. If through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then the provisions relating to Valuation Dates in the paragraph above would apply for the purposes of determining the Fund Interest Price of the relevant Fund Interest for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

(B) “Postponement” is specified in the relevant Final Terms, then the provisions relating to Valuation Dates in the paragraph above will apply for the purposes of determining the Fund Interest Price for the relevant Fund Interest for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date; or

(C) “Modified Postponement” is specified in the relevant Final Terms, then:

(I) where the Notes are specified in the relevant Final Terms to relate to a single Fund Interest, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date then (a) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date) and (b) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest for that Averaging Date with its good faith estimate of such Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date; and

(II) where the Notes are specified in the relevant Final Terms to relate to a Basket of Fund Interests, the Averaging Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date and the Averaging Date for any Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date

or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date then (a) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date) and (b) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest for that Averaging Date with its good faith estimate of such Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date; and

upon the making of any such determinations by the Calculation Agent, the Issuer shall, as soon as reasonably practicable thereafter, give notice to the Noteholders in accordance with Condition 19 of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been an Averaging Date or a Valuation Date, as the case may be; provided that any failure to give such notice will not affect the validity of the occurrence and the effect of such Disrupted Day on the Notes.

(d) ***Definitions Applicable to Fund Linked Notes***

- “Averaging Date”** means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the relevant Final Terms.
- “Basket”** means a basket composed of such Reference Funds specified in the relevant Final Terms in the relative proportions or number of Fund Interest Units of each Reference Fund specified in the relevant Final Terms.
- “Cut-off Period”** means, in respect of any date, the period specified as such in the relevant Final Terms or, if no such period is specified, a period of one calendar year ending on the first anniversary of such date; provided that, if a “Final Cut-off Date” is specified in the relevant Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.
- “Disrupted Day”** means, in respect of a Fund Business Day, the occurrence or continuation of the following events as determined by the Calculation Agent in its sole and absolute discretion:
- (i) a failure by the Reference Fund to publish the Fund Interest Price of the relevant Fund Interest in respect of that Fund Business Day (provided that the Fund Interest Price was scheduled to be published on such Fund Business Day in accordance with the Fund Documents);
  - (ii) the Calculation Agent determining in good faith and a commercially reasonable manner that the Fund Interest Price of the relevant Fund Interest is inaccurate;
  - (iii) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible in accordance with the Fund Documents); or
  - (iv) a postponement or failure of a Reference Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Documents).

<b>“Fund Administrator”</b>	means any person specified as such in the relevant Final Terms or, if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.
<b>“Fund Adviser”</b>	means any person specified as such in the relevant Final Terms or, if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.
<b>“Fund Business Day”</b>	means any day specified as such in the relevant Final Terms or, if no such day is specified, any day that the Reference Fund or the primary Fund Administrator acting on behalf of the Reference Fund is open for business.
<b>“Fund Documents”</b>	means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any Additional Fund Documents, in each case, as amended from time to time; <b>“Additional Fund Documents”</b> has the meaning given to it in the relevant Final Terms.
<b>“Fund Interest”</b>	means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the relevant Final Terms.
<b>“Fund Interest Price”</b>	means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day, which shall be equal to the available official net asset value of a Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Adviser or published by or on behalf of the Reference Fund, less (a) any applicable costs, expenses or taxes that would be incurred by a Hypothetical Investor in redeeming such Fund Interest and (b) such other fees as are specified as “Redemption Fees” in the relevant Final Terms, in both cases, as determined by the Calculation Agent in its sole and absolute discretion.
<b>“Fund Interest Unit”</b>	means, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the relevant Final Terms; provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the Trade Date shall be a single Fund Interest Unit.
<b>“Fund Manager”</b>	means any person specified as such in the relevant Final Terms or, if no person is so specified, any person appointed in the role of discretionary or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.
<b>“Fund Service Provider”</b>	means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, for that Reference Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the relevant Final Terms.

<b>“Hedging Party”</b>	means, unless otherwise specified in the relevant Final Terms, the Issuer, any of its Affiliates or agent or any special purpose vehicle.
<b>“Hypothetical Investor”</b>	means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Calculation Agent or any Hedging Party (as determined by the Calculation Agent in the context of the relevant situation).
<b>“Redemption Proceeds”</b>	means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant time, redeems such amount of such Fund Interest; provided that (a) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the relevant Final Terms.
<b>“Reference Fund”</b>	means, in respect of a Fund Interest, unless otherwise specified in the relevant Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.
<b>“Removal Value”</b>	means the Redemption Proceeds minus (i) all expenses and costs incurred by a Hypothetical Investor in connection with (a) redemption of all Fund Interest Units in the Affected Fund and (b) subscription for Fund Interest Units in the Successor Reference Fund and (ii) a spread and cost of funding.
<b>“Scheduled Valuation Date”</b>	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
<b>“Trading Agreement”</b>	means a trading agreement entered into between the Reference Fund, the Calculation Agent and the Fund Manager and/or Fund Adviser.
<b>“Valid Date”</b>	means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.
<b>“Valuation Date”</b>	means each date specified as such in the relevant Final Terms.

## **10. Credit Linked Notes**

### **(a) *Redemption of Credit Linked Notes***

Unless previously redeemed or purchased and cancelled and subject as provided in this Condition 10, each Credit Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount.

(b) **Cash Settlement**

If Cash Settlement is specified in the relevant Final Terms and the Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the “**Credit Event Determination Date**”), the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Noteholders in accordance with Condition 19 and redeem all but not some only of the Notes, each Credit Linked Note being redeemed by the Issuer by payment of the Credit Event Redemption Amount on the Credit Event Redemption Date.

*If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 10(b), upon payment of the Credit Event Redemption Amount in respect of the Notes the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

(c) **Physical Settlement**

If Physical Delivery is specified in the relevant Final Terms and the Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the Credit Event Determination Date), the Issuer shall give notice (such notice a “**Notice of Physical Settlement**”) to the Noteholders in accordance with Condition 19 and redeem all but not some only of the Notes, each Credit Linked Note being redeemed by the Issuer by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with Conditions 10(g) and (h).

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applicable in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applicable in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

*If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 10(c), upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the principal amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.*

(d) ***Repudiation/Moratorium Extension***

Where Repudiation/Moratorium is specified as a Credit Event in the relevant Final Terms, the provisions of this Condition 10(d) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Condition 10(f)(ii) applies, the Postponed Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 19 that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
  - (A) each Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 10(b) or Condition 10(c), as applicable, shall apply to the Notes.

(e) ***Grace Period Extension***

If “Grace Period Extension” is specified as applicable in the relevant Final Terms, the provisions of this Condition 10(e) shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
  - (A) each Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the Grace Period Extension Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and

no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 10(b) or Condition 10(c), as applicable, shall apply to the Notes.

(f) ***Maturity Date Extension***

If:

- (i) on (A) the Scheduled Maturity Date or, (B) if applicable, the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applicable in the relevant Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (ii) on the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may notify the Noteholders in accordance with Condition 19 that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the “**Postponed Maturity Date**”) specified in such notice falling 15 calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and

where:

- (A) in the case of Condition 10(f)(i), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date, or, in the case of Condition 10(f)(ii), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:

- (1) subject as provided below, each nominal amount of Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the Postponed Maturity Date; and
- (2) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (B) where:

- (1) in the case of Condition 10(f)(i), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 10(b) or 10(c), as applicable, shall apply to the Notes; or
- (2) in the case of Condition 10(f)(ii), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 10(d) shall apply to the Notes.

(g) ***Physical Delivery***

- (i) If any Credit Linked Note is to be redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, in order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount(s) in respect of any Note:
- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, as applicable, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below); and
  - (B) if such Note is a Definitive Note, the relevant Noteholder must deliver to any Paying Agent, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

An Asset Transfer Notice must:

- I. specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the Delivery of the Deliverable Obligations comprising the Asset Amount and any details required for Delivery of the Deliverable Obligations comprising the Asset Amount set out in the relevant Final Terms;
- II. in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- III. include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, as the case may be, in respect thereof and to pay such Delivery Expenses;
- IV. specify an account to which any dividends (if any) payable pursuant to this Condition 10(g) or any other cash amounts specified in the relevant Final Terms as being payable are to be paid; and
- V. authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer



Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Deliverable Obligations comprising the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the relevant Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-off Date specified in the relevant Final Terms, the Issuer will, subject as provided above, Deliver the Deliverable Obligations comprising the Asset Amount in respect of the relevant Notes as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Note, a Noteholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut-off Date, the Issuer's obligations in respect of such Notes shall be discharged and the Issuer shall have no liability in respect thereof.

- (ii) All Delivery Expenses arising from the Delivery of the Deliverable Obligations comprising the Asset Amounts in respect of such Notes shall be for the account of the relevant Noteholder and no Delivery of the Deliverable Obligations comprising the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After Delivery of the Deliverable Obligations comprising an Asset Amount and for 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 Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder 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 or obligations included in such Asset Amount.

- (iii) In relation to each Deliverable Obligation constituting an Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Settlement Date provided that if all or some of the Deliverable Obligations included in such Asset Amount are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable

Obligations or Hedge Disruption Obligations, as the case may be, on or before the 30th Business Day following the Settlement Date (the “**Final Delivery Date**”),

Provided Further That if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date, the provisions of Condition 10(h) shall apply.

(h) ***Partial Cash Settlement***

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount are not Delivered by the Final Delivery Date, the Issuer shall give notice (a “**Cash Settlement Notice**”) to the Noteholders in accordance with Condition 19 and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount on the Cash Settlement Date.

In the Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the relevant Final Terms, for the purposes of this Condition 10(h), the following terms are deemed to have the meanings:

“**Cash Settlement Amount**” is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

“**Cash Settlement Date**” is deemed to be the date falling three Business Days after the calculation of the Final Price.

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

“**Market Value**” means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applicable in the relevant Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have

the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (a) of the definition of “Quotation” below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

“**Quotation**” means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applicable in the relevant Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applicable in the relevant Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applicable in the relevant Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation

will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.

**“Quotation Amount”** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Quotation Method”** is deemed to be Bid.

**“Reference Obligation”** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Valuation Method”** is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case “Valuation Method” is deemed to be Market.

**“Valuation Time”** is the time specified as such in the relevant Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

**“Weighted Average Quotation”** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

(i) ***Redemption following Merger Event***

If Condition 10(i) is specified as applicable in the relevant Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 19 and redeem the Notes at the Early Redemption Amount on the Merger Event Redemption Date.

(j) ***Definitions applicable to Credit Linked Notes***

**“Accreted Amount”** means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if “Include Accrued Interest” is specified as applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line

method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**“Accreting Obligation”**

means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

**“Asset Amount”**

means, in respect of each nominal amount of Notes equal to the lowest Specified Denomination, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (i) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if “Include Accrued Interest” is specified as applicable in the relevant Final Terms, but excluding accrued but unpaid interest if “Exclude Accrued Interest” is specified as applicable in the relevant Final Terms, and if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified as applicable in the relevant Final Terms, excluding accrued but unpaid interest); or
- (ii) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the lowest Specified Denomination less, if Unwind Costs are specified as applicable in the relevant Final Terms, Deliverable Obligations with a Market Value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation

as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

**“Asset Transfer Notice”**

means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

**“Bankruptcy”**

means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or 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, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) 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 (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) 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;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (i) to (vii) (inclusive).

**“Best Available Information”**

means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of “Successor”, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of “Successor”.

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute “Best Available Information”.

**“Calculation Agent City Business Day”**

means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

**“Conditionally Transferable Obligation”**

means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of “Conditionally Transferable Obligation”.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of “Conditionally Transferable Obligation”, such determination shall be made as of the Delivery Date for the Deliverable

Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

**“Conditions to Settlement”** means the delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and, if notice of Publicly Available Information is specified as applicable in the relevant Final Terms, a Notice of Publicly Available Information that is effective, in each case, during the Notice Delivery Period.

**“Convertible Obligation”** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**“Credit Event”** means the occurrence of any one or more of the Credit Events specified in the relevant Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event specified in the relevant Final Terms, as determined by the Calculation Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**“Credit Event Notice”** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after 12.01 a.m. Greenwich Mean Time on the Trade Date and at or prior to 11.59 p.m., Greenwich Mean Time, on the latest of:

- (i) the Scheduled Maturity Date;



- (ii) where “Grace Period Extension” is specified as applicable in the relevant Final Terms, the Grace Period Extension Date if (A) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and (B) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
- (iii) the Repudiation/Moratorium Evaluation Date if:
  - (A) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
  - (B) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
  - (C) the Repudiation/Moratorium Extension Condition is satisfied.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Condition 10(m).

**“Credit Event Redemption Amount”**

means the amount specified as such in the relevant Final Terms or, if no such amount is specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

**A** is the lowest Specified Denomination;

**B** is the Final Price; and

**C** is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

**“Credit Event Redemption Date”**

means the day falling the number of Business Days specified in the relevant Final Terms after the calculation of the Final Price.

**“Currency Amount”**

means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate.

**“Currency Rate”**

means:

- (i) the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:
  - (A) if the Settlement Currency is U.S. dollars, the Federal Reserve Bank of New York 10.00 a.m. (New York time) mid point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or
  - (B) if the Settlement Currency is euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12.00 p.m. (British Standard Time) on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or
- (ii) if the Settlement Currency is not U.S. dollars or euro, the rate determined by the Calculation Agent in its sole and absolute discretion in a commercially reasonable manner.

**“Default Requirement”**

means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the relevant Final Terms, USD 10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

**“Deliver”**

means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (i) to (ii) in the definition of “Credit Event” above) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of the Asset Amount consists of Direct Loan Participations, “Deliver” means to create (or procure the creation) of a participation in favour of the relevant Noteholder and, to the extent that the Deliverable Obligations consist of Qualifying Guarantees, “Deliver” means to Deliver both the Qualifying Guarantee and the Underlying Obligation. “Delivery” and “Delivered” will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**“Deliverable Obligation”**

means, subject as provided in Condition 10(c):

- (i) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “(A) Method for Determining Deliverable Obligations” below (but excluding any Excluded Deliverable Obligation specified in the relevant Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (ii) of the definition of “Credit Event” above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (ii) subject to the second paragraph of the definition of “Not Contingent” in “(A) Method for Determining Deliverable Obligations” below, each Reference Obligation, unless specified in the relevant Final Terms as an Excluded Deliverable Obligation;
- (iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (ii) of the definition of “Credit Event” above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee, other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (iv) any Additional Deliverable Obligation of a Reference Entity specified as such in the relevant Final Terms.

(A) Method for Determining Deliverable Obligations. For the

purposes of this definition of “Deliverable Obligation”, the term “Deliverable Obligation” may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the relevant Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, as of the date on which the Notice of Physical Settlement is deemed given. The following terms shall have the following meanings:

- (1) “Deliverable Obligation Category” means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation Category” below, except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- (2) “Deliverable Obligation Characteristics” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:
  - (a) “Not Contingent” means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Deliverable Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference

Obligation may be included as a Deliverable Obligation only if the rights referred to in (A) and (B) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

- (b) “Assignable Loan” means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (c) “Consent Required Loan” means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;
- (d) “Direct Loan Participation” means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (e) “Transferable” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
  - (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect

in relation to the eligibility for resale of an obligation); or

- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (f) “Maximum Maturity” means an obligation that has a remaining maturity from the Settlement Date of not greater than the period specified in the relevant Final Terms;
- (g) “Accelerated or Matured” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (h) “Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream or any other internationally recognised clearing system.

(B) Interpretation of Provisions.

- (1) If the Obligation Characteristic “Listed” is specified in the relevant Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (2) if (i) either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the relevant Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic “Transferable” is specified in the relevant Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics

“Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in the relevant Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

- (3) if any of Payment, Borrowed Money, Loan, or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and
- (4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
  - (a) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
  - (b) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the relevant Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
  - (c) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the relevant Final Terms.
  - (d) For purposes of the application of the Obligation

Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

- (e) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (f) The terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in the Terms and Conditions, including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in Condition 10(h)), when used in connection with Qualifying Guarantees are to be interpreted to be the then “Outstanding Principal Balance” or “Due and Payable Amount”, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt, the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

<b>“Delivery Date”</b>	means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.
<b>“Delivery Expenses”</b>	means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Deliverable Obligations comprising the Asset Amount.
<b>“Domestic Currency”</b>	means the currency specified as such in the relevant Final Terms and any successor currency. If no currency is specified in the relevant Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).
<b>“Downstream Affiliate”</b>	means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable),



whose outstanding Voting Shares are more than 50 per cent. owned, directly or indirectly, by the Reference Entity. **“Voting Shares”** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**“Due and Payable Amount”**

means, subject as provided in sub-paragraph (4)(F) of paragraph (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

**“Eligible Transferee”**

means each of the following:

(i)

- (A) any bank or other financial institution;
- (B) an insurance or reinsurance company;
- (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (iii)(A) below); and
- (D) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least USD 500 million;

(ii) an Affiliate of an entity specified in the preceding sub-paragraph (i);

(iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

- (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100 million; or
- (B) that has total assets of at least USD 500 million; or
- (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraph (i), (ii), (iii)(A) or (iv); and

(iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to USD include equivalent amounts in other

currencies.

**“Equity Securities”**

means:

- (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**“Exchangeable Obligation”**

means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**“Excluded Deliverable Obligation”**

means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

**“Excluded Obligation”**

means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

**“Failure to Pay”**

means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

**“Final Price”**

means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the relevant Final Terms. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Fiscal Agent and, for so long as the Notes are listed on the Luxembourg Stock Exchange, at the office of the Paying Agent in Luxembourg (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

**“Full Quotation”**

means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

**“Fully Transferable**

means a Deliverable Obligation that is either Transferable, in the case of

<b>Obligation</b>	<p>Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of “Fully Transferable Obligation”. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of “Fully Transferable Obligation”, such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.</p>
<b>“Governmental Authority”</b>	<p>means any de facto or de jure government (or any agency, instrumentality, ministry or department 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) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.</p>
<b>“Grace Period”</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(i) subject to paragraphs (ii) and (iii) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;</li> <li>(ii) if Grace Period Extension is specified, as applicable, in the relevant Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Final Terms or, if no period is specified in the relevant Final Terms, 30 calendar days; and</li> <li>(iii) if, at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the relevant Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.</li> </ul>
<b>“Grace Period Business Day”</b>	<p>means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and, if a place or places are not so specified, in the jurisdiction of the Obligation Currency.</p>
<b>“Grace Period Extension Date”</b>	<p>means, if:</p> <ul style="list-style-type: none"> <li>(i) Grace Period Extension is specified as applicable in the relevant</li> </ul>

Final Terms; and

- (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

**“Hedge Disruption Event”** means, in the opinion of the Calculation Agent, any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer’s obligations or position in respect of the Notes.

**“Hedge Disruption Obligation”** means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

**“Market Value”** means, with respect to a Reference Obligation on a Valuation Date:

- (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (iv) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (v) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**“Merger Event”** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer or a Reference

Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

**“Method for Determining Obligations”**

For the purposes of paragraph (i) of this definition of “Obligation”, the term “Obligation” may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the relevant Final Terms, and having each of the Obligation Characteristics (if any) specified in the relevant Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (A) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Final Terms, where:
- (1) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) **“Borrowed Money”** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (3) **“Reference Obligations Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
  - (4) **“Bond”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (5) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (6) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.
- (B) **“Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the relevant Final Terms, where:

- (1) (a) **“Not Subordinated”** means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the relevant Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity. For purposes of determining whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (1) the Trade Date specified in the relevant Final Terms and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;
- (b) **“Subordination”** means, with respect to an obligation (the **“Subordinated Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“Senior Obligation”**), a contractual, trust or other similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. “Subordinated” will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;
- (2) **“Specified Currency”** means an obligation that is payable in the currency or currencies specified as such in the relevant Final Terms (or, if Specified Currency is specified in the relevant Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the

aforementioned currencies, which currencies shall be referred to collectively in the relevant Final Terms as the **“Standard Specified Currencies”**);

- (3) **“Not Sovereign Lender”** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “Paris Club debt”;
- (4) **“Not Domestic Currency”** means any obligation that is payable in any currency other than the Domestic Currency;
- (5) **“Not Domestic Law”** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) **“Listed”** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) **“Not Domestic Issuance”** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

**“Minimum Quotation Amount”**

means the amount specified as such in the relevant Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**“Modified Eligible Transferee”**

means any bank, financial institution or other entity which is regularly engaged in an established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**“Modified Restructuring Maturity Limitation Date”**

means, with respect to a Deliverable Obligation, the date that is the later of (x) the Scheduled Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations.

**“Notice Delivery Period”**

means the period from and including the Trade Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) “Grace Period Extension” is specified as applicable in the relevant Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date and (iii) the Potential

Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity Date if the Maturity Date is postponed pursuant to Condition 10(f).

**“Notice of Publicly Available Information”**

means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of “Repudiation/Moratorium”. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the relevant Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Condition 10(m).

**“Obligation”**

means:

- (i) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “Method for Determining Obligations” below (but excluding any Excluded Obligation);
- (ii) each Reference Obligation specified in the relevant Final Terms, unless specified as an Excluded Obligation; and
- (iii) any Additional Obligation of a Reference Entity specified as such in the relevant Final Terms.
  - (1) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (2) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.

**“Obligation Acceleration”**

means one or more Obligations in an aggregate amount of not less than the



Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**“Obligation Currency”**

means the currency or currencies in which the Obligation is denominated.

**“Obligation Default”**

means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**“Outstanding Principal Balance”**

means, subject as provided in sub-paragraph (4)(F) of paragraph (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”:

- (i) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (ii) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, “Outstanding Principal Balance” shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**“Payment Requirement”**

means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the relevant Final Terms, USD 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**“Permitted Currency”**

means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor’s, a division of the McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody’s Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**“Physical Settlement Period”**

means the number of Business Days specified as such in the relevant Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the

Calculation Agent.

- “Potential Failure to Pay”** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.
- “Potential Repudiation/Moratorium”** means the occurrence of an event described in paragraph (i) of the definition of “Repudiation/Moratorium”.
- “Publicly Available Information”** means:
- (i) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
    - (A) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation;
    - (B) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation;
    - (C) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) of the definition of “Bankruptcy” against or by a Reference Entity; or
    - (D) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
  - (ii) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the

Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

- (iii) In relation to any information of the type described in paragraphs (i) (B), (C) and (D) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.
- (iv) Publicly Available Information need not state:
  - (A) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
  - (B) that such occurrence:
    - (1) has met the Payment Requirement or Default Requirement;
    - (2) is the result of exceeding any applicable Grace Period; or
    - (3) has met the subjective criteria specified in certain Credit Events.

**“Public Source”**

means each source of Publicly Available Information specified as such in the relevant Final Terms (or, if a source is not specified in the relevant Final Terms, each of Bloomberg® Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**“Qualifying Affiliate Guarantee”**

means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**“Qualifying Guarantee”**

means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the “**Underlying Obligation**”) for which another party is the obligor (the “**Underlying Obligor**”) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of “Subordination to the Reference Entity” deemed to refer to the Underlying Obligor). Qualifying

Guarantees shall exclude any arrangement structured (i) as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

**“Qualifying Participation Seller”**

means any participation seller that meets the requirements specified in the relevant Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**“Quotation”**

means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (ii)
  - (A) If “Include Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest.
  - (B) If “Exclude Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest.
  - (C) If neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such

Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (iii) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

**“Quotation Dealer”**

means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained other than Deutsche Bank AG, London Branch including each Quotation Dealer specified in the relevant Final Terms. If no Quotation Dealers are specified in the relevant Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

**“Quotation Method”**

means the applicable Quotation Method specified in the relevant Final Terms by reference to one of the following terms:

- (i) **“Bid”** means that only bid quotations shall be requested from Quotation Dealers;
- (ii) **“Offer”** means that only offer quotations shall be requested from Quotation Dealers; or

if a Quotation Method is not specified in the relevant Final Terms, Bid shall apply.

**“Reference Entity”**

means the entity or entities specified as such in the relevant Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of “Successor” in this Condition 10(j) shall be the Reference Entity for the purposes of the relevant Series.

**“Reference Obligation”**

means each obligation specified or of a type described as such in the relevant Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

**“Relevant Obligations”**

means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

<b>“Representative Amount”</b>	means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.
<b>“Repudiation/Moratorium”</b>	means the occurrence of both of the following events: <ul style="list-style-type: none"> <li>(i) an authorised officer of a Reference Entity or a Governmental Authority: <ul style="list-style-type: none"> <li>(A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or</li> <li>(B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and</li> </ul> </li> <li>(ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.</li> </ul>
<b>“Repudiation/Moratorium Evaluation Date”</b>	means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.
<b>“Repudiation/Moratorium Extension Condition”</b>	means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the relevant Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Trade Date to and including the Scheduled Maturity Date or, if Condition 10(f)(ii) applies, the Postponed Maturity Date.
<b>“Repudiation/Moratorium Extension Notice”</b>	means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is

effective.

**“Restructured Bond or Loan”**

means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

**“Restructuring”**

means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of the Obligation to bind all the holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

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

- (A) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (C) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of the definition of “Restructuring” and Condition 10(l), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (i) to (v) of the definition of “Restructuring” shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

**“Restructuring Date”**

means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**“Restructuring Maturity Limitation Date”**

means the date that is the earlier of (i) 30 months following the Restructuring Date and (ii) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than 30 months following the Scheduled Maturity Date and, if it is, it shall be deemed to be the Scheduled Maturity Date or 30 months following the Scheduled Maturity Date, as the case may be.

**“Settlement Currency”**

means the currency specified as such in the relevant Final Terms or, if no currency is specified in the relevant Final Terms, the Specified Currency of the Notes.

**“Settlement Date”**

means the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the “**Scheduled Settlement Date**”) provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Settlement Date, the Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Settlement Date.

**“Sovereign”**

means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**“Sovereign Agency”**

means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**“Sovereign Restructured Deliverable Obligation”**

means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the relevant Final Terms, and, subject to paragraph (3) of (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”, having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or



Deliverable Obligation Characteristics after such Restructuring.

**“Specified Number”**

means the number of Public Source(s) specified in the relevant Final Terms, or, if no number is specified in the relevant Final Terms, two.

**“Substitute Reference Obligation”**

means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (i) In the event that:
  - (A) a Reference Obligation is redeemed in whole; or
  - (B) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (ii) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer’s option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (iii) If more than one specific Reference Obligation is identified as a

Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(iv) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(v) If:

(A) more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(B) only one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date (if any) and (C) the Repudiation/Moratorium Evaluation Date (if any). If (i) either Cash Settlement is specified in the relevant Final Terms and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or Physical Delivery is specified in the relevant Final Terms and the Reference Obligation is the only Deliverable Obligation and (ii) on or prior to the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations under the Notes shall cease as of the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date.

(vi) For the purposes of identification of a Reference Obligation, any

change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

**“Succession Event”**

means an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, “Succession Event” shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event.

**“Successor”**

means:

- (i) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
  - (A) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
  - (B) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
  - (C) if more than one entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the relevant Final Terms will be adjusted as provided below;
  - (D) if one or more entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the relevant Final Terms will be adjusted as provided below;
  - (E) if one or more entities directly or indirectly succeed to a

portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and

- (F) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (ii) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (i) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (i)(D) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (i)(F) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Noteholder(s) at the specified office of the Fiscal Agent and, for so long as the Notes are listed on the Luxembourg Stock Exchange, at the office of the Paying Agent in Luxembourg.

Where pursuant to paragraph (i)(C) or (i)(D) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the relevant Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the relevant Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2003 ISDA Credit

## Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 19, stating the adjustment to the Terms and Conditions and/or the relevant Final Terms and giving brief details of the relevant Succession Event.

For the purposes of this definition of “Successor”, “**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (i) of this definition of “Successor” shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

- (i) a Reference Obligation is specified in the relevant Final Terms;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of “Substitute Reference Obligation” above.

### **“Supranational Organisation”**

means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

### **“Trade Date”**

means the date specified as such in the relevant Final Terms.

### **“Undeliverable Obligation”**

means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

### **“Unwind Costs”**

means the amount specified in the relevant Final Terms or, if “Standard

Unwind Costs” are specified in the relevant Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Notes in the Specified Denomination.

**“Valuation Date”**

means (a) where Physical Delivery is specified as applicable in the relevant Final Terms, the day falling three Business Days after the Final Delivery Date, or (b) where Cash Settlement is specified as applicable in the relevant Final Terms, if “Single Valuation Date” is specified in the relevant Final Terms, the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, five Business Days after the Credit Event Determination Date and, if “Multiple Valuation Dates” is specified in the relevant Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the relevant Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not specified, five Business Days); and
- (ii) each successive date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the relevant Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the relevant Final Terms, Single Valuation Date shall apply.

**“Valuation Method”**

- (i) The following Valuation Methods may be specified in the relevant Final Terms for a Series with only one Reference Obligation and only one Valuation Date:
  - (A) **“Market”** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
  - (B) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Highest.

(ii) The following Valuation Methods may be specified in the relevant Final Terms for a Series with only one Reference Obligation and more than one Valuation Date:

- (A) “**Average Market**” means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (B) “**Highest**” means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
- (C) “**Average Highest**” means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Average Highest.

(iii) The following Valuation Methods may be specified in the relevant Final Terms for a Series with more than one Reference Obligation and only one Valuation Date:

- (A) “**Blended Market**” means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or
- (B) “**Blended Highest**” means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Blended Highest.

(iv) The following Valuation Methods may be specified in the relevant Final Terms for a Series with more than one Reference Obligation and more than one Valuation Date:

- (A) “**Average Blended Market**” means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or
- (B) “**Average Blended Highest**” means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Average Blended Highest.

Notwithstanding paragraphs (i) to (iv) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

**“Valuation Time”**

means the time specified as such in the relevant Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

**“Weighted Average Quotation”**

means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the relevant Final Terms, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**(k) *Credit Event Notice after Restructuring Credit Event***

If Condition 10(k) is specified as applicable in the relevant Final Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (i) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the “**Partial Redemption Amount**”) that is less than the principal amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances, the provisions of Condition 10 shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (ii) For the avoidance of doubt (i) the principal amount of each such Note not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Note as provided in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of Condition 11 shall apply to such principal amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.
- (iii) If the provisions of this Condition 10(k) apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.



(l) ***Provisions relating to Multiple Holder Obligation***

If Condition 10(l) is specified as applicable in the relevant Final Terms, notwithstanding anything to the contrary in the definition of “Restructuring” and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

“Multiple Holder Obligation” means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to 66 and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

(m) ***Calculation Agent and Calculation Agent Notices***

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Condition 10 shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion.

**11. Payments**

(a) ***Method of Payment***

Subject as provided below:

- (i) payments in a currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option and responsibility of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Wellington, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option and responsibility of the payee, by a euro cheque.

All payments are subject in all cases to any fiscal or other regulations applicable thereto in the place of payment.

(b) ***Presentation of Definitive Notes, Receipts and Coupons***

Payments of principal in respect of Bearer Notes represented by Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest (if any) in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Coupon, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including

the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the relevant due date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 13) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no Coupons will be issued in respect thereof.

Upon the date on which any Definitive Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(c) ***Payments in respect of Global Notes***

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

(d) ***Payments in respect of Registered Notes***

- (i) Payments of principal (which for the purposes of this Condition 11(d) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 11(d) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth DTC business day before the due date for payment thereof (the “**Record Date**”). For the purpose of this Condition 11(d), “**DTC business day**” means any day on which DTC is open for business. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 and, in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan).
- (iii) Payments through DTC: Registered Notes, if specified in the relevant Final Terms, will be issued in the form of one or more Global Certificates and may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with (i) and (ii) above. Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a Nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will cause the Exchange Agent to deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(e) ***General Provisions Applicable to Payments***

The holder of a Global Note or Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or Global Certificate in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such

Global Note or Global Certificate must look solely to DTC, Euroclear or Clearstream, as the case may be, for his share of each payment so made by, or on behalf of, the Issuer to, or to the order of, the holder of such Global Note or Global Certificate.

Notwithstanding the foregoing provisions of this Condition 11, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars;
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer; and
- (iv) in the case of any payment in respect of a Note represented by a Global Certificate that is denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Global Certificate) has elected to receive part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) London; and
  - (C) each Additional Financial Centre specified in the relevant Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Wellington, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 is open.

## 12. Taxation

All payments of principal and interest in respect of the Notes, Receipts, Coupons and Talons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands (or any other relevant business jurisdiction of the Issuer) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) in the Netherlands by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands in respect of such Note by reason of such Holder having some connection with the Netherlands other than by reason only of holding such Note or the receipt of the relevant payment in respect thereof;
- (ii) in a relevant business jurisdiction of the Issuer (wherein and whereof the Issuer is obliged to withhold tax) by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such relevant business jurisdiction in respect of such Note by reason of such Holder having some connection with that relevant business jurisdiction of the Issuer other than by reason only of holding such Note or the receipt of the relevant payment in respect thereof;
- (iii) by or on behalf of a Holder thereof who is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of such Holder having some connection with the Netherlands other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof;
- (iv) by or on behalf of a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, Receipt or Coupon is presented for payment;
- (v) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such mentioned Directive;
- (vi) (except in the case of Registered Notes) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt, Coupon or Talon to another Paying Agent in a Member State, not obliged to withhold or deduct tax pursuant to the EC Directive as mentioned under paragraph (v);
- (vii) more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (viii) if it is provided in the relevant Final Terms that the Notes are “Domestic Notes” for the purpose of this Condition.

References in these Terms and Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Credit Event Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Obligatory Redemption Amounts and/or all other amounts in the nature of principal payable pursuant to Condition 11 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

### 13. Prescription

Claims against the Issuer for payment of principal or interest in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

### 14. Events of Default

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

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

## **15. Agents**

The Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agents, the Exchange Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed on page 353.

The Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agents, the Exchange Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder, Receiptholder or Couponholder.

The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, any other Paying Agent, any Transfer Agent, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents provided that the Issuer shall at all times maintain:

- (i) an Issuing and Paying Agent;
- (ii) a Euroclear Netherlands Fiscal Agent;
- (iii) a Registrar in relation to Registered Notes;
- (iv) one or more Calculation Agent(s) where the Terms and Conditions so require;
- (v) a Transfer Agent(s) in relation to Registered Notes;
- (vi) if and for so long as the Notes are listed on any stock exchange which rules require the appointment of a Paying Agent in any particular place, a Paying Agent having its specified office in the place required by the rules of such stock exchange;
- (vii) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (viii) so long as any of the Registered Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 11 or for payment of exchanged amounts under Condition 11(d)(iii) for Notes denominated in Specified Currencies other than U.S. dollars.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

## **16. Meeting of Noteholders, Modifications and Substitutions**

### **(a) *Meetings of Noteholders***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Terms and Conditions. Such a meeting may

be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of the Maturity Date or redemption of any of the Notes, any Instalment Date or any date for payment of interest or interest amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest is shown in the relevant Final Terms, to reduce any such Minimum and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Credit Event Redemption Amount, the Early Redemption Amount, the Obligatory Redemption Amount or the Optional Redemption Amount including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Extraordinary Resolution or (viii) to take any steps that as specified in the relevant Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Receiptholders and Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Terms and Conditions may be amended by the Issuer (with the agreement, not to unreasonably withheld, of the Fiscal Agent) (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (ii) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the Noteholders, Receiptholders and Couponholders or (iii) if the amendment or modification is of a formal, minor or technical nature or is made to comply with mandatory provisions of law, without the consent of the Noteholder, Receiptholder or Couponholder. Any such amendment or modification shall be binding on the Noteholders, Receiptholders and Couponholders and such amendment or modification shall be notified to the Noteholders in accordance with Condition 19 (Notices) of the Notes as soon as practicable (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such amendment or modification).

These Terms and Conditions may be amended, modified or varied in relation to any Series by the terms of the relevant Final Terms in relation to such Series.

(b) ***Modification and Amendment of Agency Agreement***

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.



The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, the Calculation Agent or any Holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the Holders.

(c) ***Substitution of the Issuer***

- (i) The Issuer or any previous substitute of the Issuer under this Condition may, and the Noteholders, Receipholders and the Couponholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this Condition may without any further prior consent of any Noteholder at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Notes or undertake its obligations in respect of the Notes through any of its branches (any such company or branch, the “**Substitute Debtor**”), provided that:
  - (A) such documents shall be executed by the Substitute Debtor and the Issuer or any previous substitute as aforesaid 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 Debtor shall undertake in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substitute Debtor as such principal debtor (such guarantee of the Issuer herein referred to as the “**Substitution Guarantee**”);
  - (B) the Documents shall contain a warranty and representation by the Substitute Debtor and the Issuer that (a) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substitute Debtor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Noteholder and that, in the case of the Substitute Debtor undertaking its obligations with respect to the Notes through a branch, the Notes remain the valid and binding obligations of such Substitute Debtor; and
  - (C) Condition 14 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer.
- (ii) Upon the Documents becoming valid and binding obligations of the Substitute Debtor and the Issuer and subject to notice having been given in accordance with paragraph (iv) below, the Substitute Debtor shall be deemed to be named in the Notes and Coupons as the principal debtor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Notes and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph

- (iv) below shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes and Coupons.
- (iii) The Documents referred to in paragraph (i) above shall be deposited with and held by the Fiscal Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substitute Debtor or the Issuer by any Noteholder, Receiptholder and Couponholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Debtor and the Issuer acknowledge the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes, Receipts and Coupons or the Documents.
- (iv) Not later than 15 Business Days after the execution of the Documents, the Substitute Debtor shall give notice thereof to the Noteholders and Euronext Amsterdam in accordance with Condition 19. A supplement to the Offering Circular concerning the substitution of the Issuer shall be prepared.
- (v) For the purposes of this Condition 16, the term “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in like relationship to such first-mentioned company, and for this purpose “**voting shares**” means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof, and “**controlling**”, “**controlled**” and “**under common control**” shall be construed accordingly.

## 17. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 18. Increase and Further Issues

- (a) Unless specified otherwise in the relevant Final Terms, the Issuer may, at any time without the consent of the Noteholders, Receiptholders or Couponholders, prior to the Issue Date increase or decrease the aggregate nominal amount of Notes to be issued following the period in which the Notes were offered.
- (b) Unless specified otherwise in the relevant Final Terms, the Issuer may at any time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the issue date, amount and date of

the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes.

In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

## **19. Notices**

Notices to the holders of Registered Notes, including the Rule 144A Notes, shall be published in accordance with the procedure set out in this Condition for Bearer Notes and shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

All notices regarding Notes will be deemed to be validly given if published (i) on the website of the Issuer and (ii) with respect to the Rule 144A Notes, in the Wall Street Journal. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or another relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream and/or DTC, for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or another relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or another relevant authority. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Fiscal Agent or the Registrar, as the case may be. Whilst any of the Notes are represented by a Global Note, such notice may be given by any accountholder to the Fiscal Agent through Euroclear and/or Clearstream or Euroclear Netherlands or DTC, as the case may be, in such manner as the Fiscal Agent or the Registrar and Euroclear and/or Clearstream or Euroclear Netherlands or DTC, as the case may be, may approve for this purpose.

## **20. Governing Law and Jurisdiction**

### **(a) *Governing Law***

The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons and the Talons are and shall be governed by, and shall be construed in accordance with, the laws of the Netherlands.

(b) ***Jurisdiction***

The competent courts of Amsterdam, the Netherlands and the United States Federal and New York State courts sitting in New York City, the Borough of Manhattan are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupon or Talons) (“**Proceedings**”) may be brought in such courts. These submissions are made for the benefit of each of the Holders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

(c) ***Service of Process***

The Issuer irrevocably appoints its New York branch at 245 Park Avenue, New York, New York 10167 as its agent in New York to receive, for it and on its behalf, service of process in any Proceedings in New York. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in New York City, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 19. Nothing shall affect the right to serve process in any manner permitted by law.

## FORM OF THE NOTES

### Initial Issue of Notes

Each Tranche of Notes in bearer form will be initially represented by a Temporary Global Note, in bearer form without coupons, which will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream with a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, or (b) in the case of a Tranche intended to be cleared through Euroclear Netherlands, with Euroclear Netherlands, or (c) in the case of a Tranche intended to be cleared through a clearing system, as otherwise agreed between the Issuer and the relevant Dealer(s), on or about the issue date of the relevant Notes. No interest will be payable in respect of a Temporary Global Note except as provided below. Upon deposit of the Temporary Global Note with the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed.

Upon registration of the Registered Notes in the name of the nominee for Euroclear and/or Clearstream and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC, DTC will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Any payment due in respect of a Global Note or a Global Certificate will be made to each of Euroclear, Clearstream or DTC in respect of the portion of the Global Note or a Global Certificate held for its account. An accountholder with Euroclear or Clearstream with an interest in a Temporary Global Note will be required, in order to have credited to its account any portion of any payment, to present a certificate in the form set out in the Agency Agreement substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person (as such terms are defined by the U.S. Internal Revenue Code and the regulations promulgated thereunder).

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, DTC or any other clearing system, as the holder of a Note represented by a Global Note or Global Certificate must look solely to Euroclear, Clearstream, DTC or any other clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising pursuant to the Global Notes or Global Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC or such other clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### Exchange

1. *Temporary Global Notes.* Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

2. *Permanent Global Notes.* Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes:

- (a) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange; or
- (b) if the relevant Final Terms provide that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; or

otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3. *Global Certificates.* Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates without receipts, interest coupons or talons attached only upon the occurrence of a Registered Note Exchange Event. For these purposes, “**Registered Note Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act or (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 19 if a Registered Note Exchange Event occurs. In the event of the occurrence of a Registered Note Exchange Event, DTC, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

4. *Partial Exchange of Permanent Global Notes.* For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Terms and Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

5. *Delivery of Notes.* On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or

procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, “**Definitive Notes**” means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with the relevant Definitive Notes.

6. *Exchange Date.* “**Exchange Date**” means, in relation to a Temporary Global Note, the day falling on or after the expiry of 40 days after the later of the commencement of its offering and its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.
7. *Legend.* Each Temporary Global Note, Permanent Global Note and any Definitive Note, Receipt, Coupon or Talon issued in compliance with the D Rules under TEFRA will bear the following legend:

“Any United States person (as defined in the Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Notes or any related Coupons.

Each Global Certificate and each Certificate issued in exchange for a beneficial interest in a Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under “Transfer Restrictions”.

## **Amendment to Terms and Conditions**

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a brief description of certain of those provisions as set forth in the Global Notes and, where indicated, the Global Certificates:

- *Payments.* No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Definitive Certificates is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global

Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

- *Prescription.* Claims against the Issuer in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) will become void unless made within a period of five years from the date on which such payment first becomes due.
- *Meetings.* The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each minimum Specified Denomination of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)
- *Cancellation.* Cancellation of any Note represented by a Permanent Global Note or Global Certificate that is required to be cancelled will be effected by reduction in the nominal amount of the relevant Permanent Global Note or Global Certificate.
- *Purchase.* Notes represented by a Permanent Global Note or Global Certificate may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
- *Issuer's Option.* Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a Permanent Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of DTC, Euroclear or Clearstream or any other clearing system (as the case may be).
- *Events of Default.* Each Global Note and Global Certificate provides that the holder thereof may cause such Global Note or Global Certificate, or a portion of it, to become due and repayable in the circumstances described in Condition 14 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Global Certificate that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Covenant executed by the Issuer on 21 December 2009 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes represented by such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.



- *Notices.* So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that so long as the Notes are listed on Euronext Amsterdam and the rules of that exchange so require, notices shall also be published in the Daily Official List of Euronext Amsterdam.

## **USE OF PROCEEDS**

The net proceeds of the Notes will be used by the Issuer for general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## CLEARING AND SETTLEMENT

### **Book-Entry Ownership**

#### ***Registered Notes***

The Issuer may make applications to Clearstream and/or Euroclear for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a nominee for Clearstream and/or Euroclear will have an ISIN and a Common Code.

The Issuer and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Global Certificate. Each such Global Certificate will have a CUSIP number. Each Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under “Transfer Restrictions”. In certain circumstances, as described below in “Transfers of Registered Notes”, transfers of interests in a Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the custodian, with whom the Global Certificates are deposited, and DTC will electronically record the nominal amount of the Registered Notes held within the DTC system. Investors may hold their beneficial interests in a Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Global Certificate registered in the name of DTC’s nominee will be to or to the order of its nominee as the registered owner of such Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, any Paying Agent, any Exchange Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will only be available in amounts of USD 100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of USD 1,000, in certain limited circumstances described below.

#### ***Transfers of Registered Notes***

Transfers of interests in Global Certificates within DTC, Clearstream and Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under “Transfer Restrictions”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Fiscal Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the custodian and the Registrar receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “Transfer Restrictions”.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Global Certificates for exchange for individual Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Global Certificate is lodged with DTC or the custodian, Registered Notes represented by individual Certificates will not be eligible for clearing or settlement through DTC, Clearstream or Euroclear.

### ***Individual Certificates***

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream and Euroclear or for DTC will be permitted only in the circumstances set forth in “Form of the Notes — Exchange”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and
- (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

### ***Pre-issue Trades Settlement***

It is expected that delivery of Notes will be made against payment on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Registered Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

## DESCRIPTION OF BUSINESS OF RABOBANK GROUP

*Unless the context otherwise requires, references in this summary to “our”, “we”, “us”, “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. Rabobank Group entities have strong inter-relationships due to Rabobank’s cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies S&P (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.

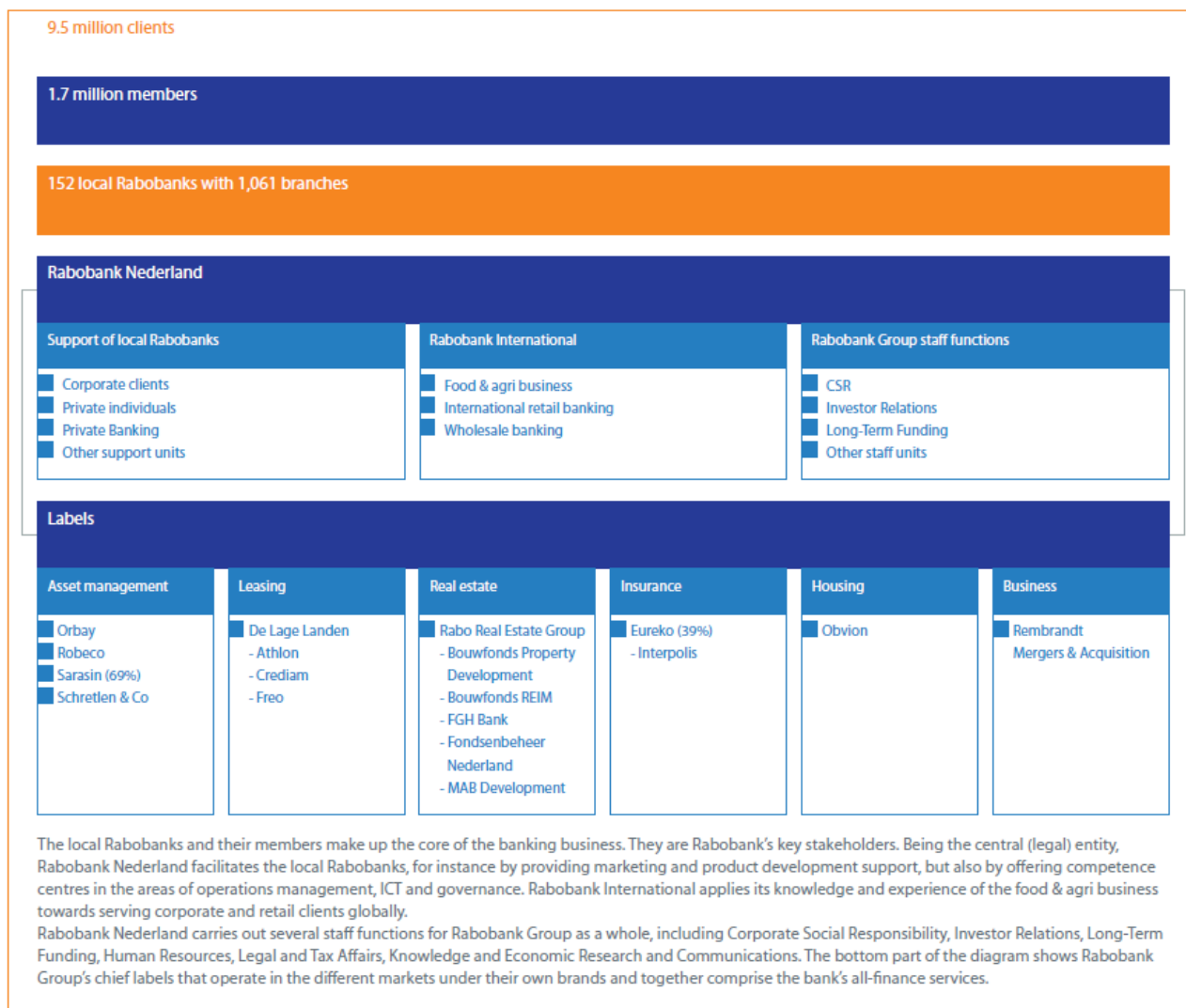
Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group’s wholesale bank and international retail bank.

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 become a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end, Rabobank Group pursues an “all-finance” concept, meaning that it provides an integrated range of financial services comprising primarily domestic retail banking, wholesale and international retail banking, asset management and investment, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As part of this all-finance strategy, Rabobank Group focuses on operations that produce fee-based income in addition to its traditional interest-based income sources.

At 30 June 2009, 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 per cent. In the first half of 2009, Rabobank Group’s efficiency ratio was

59.1 per cent., and the return on equity, or net profit expressed as a percentage of core capital, was 8.7 per cent. In the first half of 2009, Rabobank Group realised a 18 per cent. decline in net profit to € 1.3 billion and a RAROC or the risk-adjusted return on capital, of 11.8 per cent. after tax. At 30 June 2009, Rabobank Group had 60,490 full-time employees.

## Rabobank Group



## Business activities of Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its subsidiaries, Rabobank Group provides services in the following five core business areas: domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate.

### *Domestic retail banking*

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. ("**Obvion**") and Rabohypotheekbank N.V. ("**Rabohypotheekbank**"). 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 per cent., or € 3,043 million, of Rabobank Group's total income and 37 per cent., 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 per cent. shareholding in Obvion and a voting share of 70 per cent.

#### *Rabohypotheekbank N.V.*

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is 100 per cent. owned by Rabobank Nederland.

Rabohypotheekbank also serves as a supplementary financing vehicle for the local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. At 31 December 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 energy sectors of 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 per cent. stake.

Over the last few years, Rabobank International has strengthened its position in retail banking. It expanded its activities in the United States by acquiring Community Bank of Central California in 2006 and Mid-State Bank & Trust in 2007. In 2008, Rabobank International increased its 46 per cent. stake in the Polish Bank BGZ to a majority interest of 59 per cent. 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 per cent., or € 1,777 million, of Rabobank Group's total income and 33 per cent., or € 428 million, of Rabobank Group's net profit. 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 Groep N.V. ("**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 per cent. stake in Sarasin and a voting share of 69 per cent.

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 per cent., 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 per cent. equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to € 4,537,803 (4,537,803 shares with a nominal value of € 1 each) at 31 December 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 accounts) 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 accounts).

At 30 June 2009, Robeco managed € 114.6 billion in assets.

#### *Schretlen & Co N.V.*

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 per cent. equity interest in Schretlen & Co.

At 30 June 2009, Schretlen & Co managed € 6.6 billion in assets.

#### *Bank Sarasin & Cie S.A.*

Bank Sarasin & Cie S.A. ("**Sarasin**") is a Swiss private bank founded in 1841. Its shares are listed on the Swiss stock exchange SWX. Rabobank Group has, by holding shares with and without voting rights, a 46 per cent. shareholding in Sarasin and a voting share of 69 per cent. 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 adviser 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 International B.V. ("**De Lage Laden**") 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, active 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.

Rabobank Nederland owns a 100 per cent. equity interest in De Lage Laden. De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to € 98,470,307. 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 accounts). 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 per cent., or € 484 million, of Rabobank Group's total income and 4 per cent., 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 N.V. ("**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 per cent. 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 per cent., or € 243 million, of Rabobank Group's total income and 3 per cent., 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 per cent. interest in Eureko B.V. ("**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, Rabobank Group presented its interim report for the six months ended 30 June 2009. On this occasion, it was noted that many western countries were 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 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. Despite these developments, Rabobank Group achieved a net profit of € 1.3 billion, down 18 per cent. compared with the same period last year. Rabobank Group continued to have an extremely robust capital position, as reflected in its Tier 1 ratio of 13 per cent. The gloomy economic outlook is likely to affect levels of activity at 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 Rabobank Group.

### ***Rabobank and Rothschild establish global food & agri cooperation***

As from 1 January 2009, Rabobank International Holding B.V. and Rothschild entered into a co-operation 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 per cent. stake in Rothschild Continuation Holdings AG (“RCH”) and a Rabobank representative joined the RCH board of directors.

### ***Eureko***

On 16 February 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 27 February 2009, Rabobank Nederland issued € 500 million Perpetual Noncumulative Capital Securities and on 27 May 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.

### ***Ratings***

On 22 October 2009, Moody’s Investors Service (“**Moody’s**”) affirmed Rabobank’s long-term deposit and senior unsecured Aaa ratings. Moody’s revised its outlook on these ratings from stable to negative. On 8 December 2009, Standard & Poor’s Ratings Services (“**S&P**”) affirmed Rabobank’s counterparty credit AAA ratings. S&P revised its outlook on these ratings from stable to negative.

### ***Strategy of Rabobank Group***

Rabobank’s strategic objectives are set out in its Strategic Framework 2005-2010, which it has been implementing since its introduction. Following changes in the Dutch banking market that took place in 2008, and the turbulent developments in the international financial markets, Rabobank Group has been considering adjustments to the framework. Accordingly, at the end of 2008, Rabobank Group began formulating adjustment proposals for a revised Strategic Framework covering the period 2009-2012. Under these proposals, the principles of the framework were refocused and reprioritised in several areas. Rabobank approved the new Strategic Framework on 18 March 2009 in its Central Delegates Assembly.

### ***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 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 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 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.

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***

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; and
- to expand, and develop additional synergies with, 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: development of owner-occupied houses and commercial real estate, finance and asset management. 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 Rabobank Group Strategic Framework is a high quality policy for corporate social responsibility ("CSR"). Within this scope, Rabobank continued to develop its CSR policy and activities in 2009.

### **Employees**

Rabobank Group needs the right people to achieve its strategic goals. Rabobank invests in its employees, not just in terms of their conditions of employment, but also by providing training, opportunities for growth and healthcare, and helping employees achieve a good work/life balance. Rabobank Group's workforce is 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 per cent. and Rabobank's employee satisfaction score was 86 per cent. according to internal surveys. At 30 June 2009, Rabobank Group employed 60,490 full-time employees.

### **Competition**

Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has 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 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. As at 31 December 2008, Rabobank had a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 60 per cent. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

### **Market shares in the Netherlands**

Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

*Residential mortgages:* At 30 June 2009, Rabobank Group had a market share of 30.1 per cent. of new home mortgages in the Dutch mortgage market by value (26.8 per cent. by local Rabobanks and 3.3 per cent. by Obvion; source: Dutch Land Registry Office (*Kadaster*)). Rabobank Group is the largest mortgage-lending institution in the Netherlands.

*Savings deposits of individuals:* At 30 June 2009, Rabobank Group had a 39.5 per cent. market share in the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits. Of the total saving deposits in the Netherlands, 37.8 per cent. are held by the local Rabobanks and 1.7 per cent. are held by Robeco's savings bank Roparco.

*Lending to small and medium-sized enterprises:* At 30 June 2009, Rabobank Group had a 41 per cent. 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). 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, Rabobank Group had an 84 per cent. 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 Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Management believes that Rabobank Group's facilities are adequate for its present needs in all material respects.

## **Insurance**

On behalf of all entities of Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Management is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

## **Legal proceedings**

Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against Rabobank Group which arise in the ordinary course of its 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 Rabobank Group's financial condition or profitability, given its size, robust balance sheet, stable income stream and prudent provisioning policy.



## 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 per cent. of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the cross-guarantee system and their liability under the compensation agreements (as described below).

Rabobank Nederland's functions within Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into 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 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 Rabobank Group are:

Rabobank Nederland

Local Rabobanks

De Lage Landen Financial Services B.V.

De Lage Landen Financiering B.V.

De Lage Landen International B.V.

De Lage Landen Trade Finance B.V.

Rabohypothekbank N.V.

Raiffeisenhypothekbank N.V.

Schretlen & Co N.V.

The local Rabobanks are also parties to several compensation agreements whereby shortfalls of local Rabobanks with respect to equity, profitability, loan loss reserves and financing losses are financed by charging all other local Rabobanks.

### **403 Declaration**

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of Rabobank Group companies under Section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*).

In addition, Rabobank Nederland provides (bank) guarantees in its ordinary course of business.

## **Rabobank Nederland's "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 Rabobank Group's lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks.

### ***Supervision on market conduct***

Pursuant to Section 2:105 of the Financial Supervision Act, Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, the supervision by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with the financial statements and the notes thereto of Rabobank Group incorporated by reference in this Offering Circular. As of 2005, the financial statements have been prepared in accordance with the International Financial Reporting 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. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies S&P (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 Nederland, the local Rabobanks and certain subsidiaries in Rabobank Group are linked through a "cross-guarantee system". The cross-guarantee system provides for intra-group credit support among Rabobank Nederland, all local Rabobanks and certain of Rabobank Group's subsidiaries that are the other participating institutions. Under the cross-guarantee system, funds are made available by each participating institution if another participant suffers a shortfall in its funds. If a participating institution is liquidated and has insufficient assets to cover its liabilities, the other participating institutions are liable for its debts. For more details, see "Rabobank Group Structure — Internal liability (cross-guarantee system)".

The independent local Rabobanks make up Rabobank Group's cooperative core business. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 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 Dutch 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 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 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 Notes 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 1 January 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 ("SIVs"), the remaining SIV Tango assets managed by Rabobank were taken onto the balance sheet of Rabobank Group. As a result of currency exchange rate fluctuations and sales, the valuation of the portfolio of former SIV Tango assets on 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 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 provisions 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 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 Rabobank Group's results of operations and its financial assets.

### ***Interest rates***

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, the relatively low interest rate risk environment in the Netherlands and Rabobank Group's other major markets has driven growth in mortgage volumes, which is positive. However, a low interest rate environment also adversely affected Rabobank Group's results, 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", Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

### ***Critical accounting policies***

The accounting policies that are most critical to Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires 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 Offering Circular for additional discussion of the application of 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 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 Rabobank Group as at and for the year ended 31 December 2007 in this Offering Circular have been restated. See Note 2 to the consolidated financial statements for 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 Rabobank Group for the years indicated:

	Year ended 31 December			
	2008	2007 (restated)	2007	2006
	(in millions of euro)			
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
<b>Total income</b> .....	<b>11,652</b>	<b>11,022</b>	<b>11,499</b>	<b>10,049</b>
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
<b>Operating expenses</b> .....	<b>7,611</b>	<b>7,663</b>	<b>7,709</b>	<b>6,887</b>
<b>Gross profit</b> .....	<b>4,041</b>	<b>3,359</b>	<b>3,790</b>	<b>3,162</b>
Value adjustments.....	1,189	266	742	450
<b>Operating profit before taxation</b> ..	<b>2,852</b>	<b>3,093</b>	<b>3,048</b>	<b>2,712</b>
Taxation .....	98	397	386	367
<b>Net profit</b> .....	<b>2,754</b>	<b>2,696</b>	<b>2,662</b>	<b>2,345</b>

### *Year ended December 31, 2008 compared to year ended 31 December 2007*

*Total income.* Total income grew by 6 per cent. in 2008 to € 11,652 million compared to € 11,022 million in 2007, with a particularly strong contribution from interest income. Interest income accounted for 73 per cent. of total income in 2008.

*Interest.* Interest income was 26 per cent. higher in 2008, at € 8,517 million compared to € 6,771 million in 2007. This increase was mainly due to Rabobank International's interest income being higher as a result of growth in lending and higher spreads.

*Fees and commission.* Fees and commission were 1 per cent. higher, at € 2,889 million compared to € 2,857 million in 2007.

*Other income.* Other income was 82 per cent. lower, at € 246 million compared to € 1,394 million in 2007. The continuing adverse conditions in the financial markets depressed Rabobank International's results. On a net basis, the fair value changes of assets and liabilities had a limited impact on earnings. Rabo Real Estate Group's project results were also lower. Income from the Eureko participation was negative. The sale of Alex and the consolidation of Bank BGZ made positive contributions to earnings. In 2007, other income benefited from revenues from the sale of activities at Sarasin.



*Operating expenses.* Total operating expenses decreased by 1 per cent. in 2008 to € 7,611 million compared to € 7,663 million in 2007. Staff costs accounted for 56 per cent. of total operating expenses.

*Staff costs.* Partly as a result of a reduction of the bonuses, staff costs were 3 per cent. lower, at € 4,290 million compared to € 4,400 million in 2007. From 2008, Bank BGZ employees are included in Rabobank Group's staff count. As a result, staff numbers at Rabobank Group increased by 11 per cent. to 60,568 (2007: 54,737) full-time employees. Staff numbers at the local Rabobanks and Robeco declined.

*Other administrative expenses.* Other administrative expenses were 1 per cent. higher, at € 2,796 million compared to € 2,779 million in 2007.

*Depreciation.* Depreciation charges were 8 per cent. higher, at € 525 million compared to € 484 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

*Value adjustments.* Mainly as a result of the increase in the item "value adjustments" at Rabobank International, this item rose to € 1,189 million compared to € 266 million in 2007. This corresponds to 31 basis points of average lending and is higher than the 10-year average of 21 basis points (based on the period 1998 to 2007).

*Taxation.* Income tax recognised in 2008 amounted to € 98 million compared to € 397 million in 2007, which is equivalent to an effective tax rate of 3.4 per cent. (2007: 12.8 per cent.). The results from equity investments such as those in the Gilde funds and the equity investments in Rabo Private Equity, which are exempt from taxation, contributed to the lower effective tax rate.

*Net profit.* Rabobank Group's net profit grew by 2 per cent. in 2008 to € 2,754 million compared to € 2,696 million in 2007. After deduction for minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the amount remaining was € 2,089 million compared to € 1,971 million in 2007.

#### ***Year ended 31 December 2007 compared to year ended 31 December 2006***

*Total income.* Total income grew by 14 per cent. 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 per cent. of total income in 2007.

*Interest.* Interest income was 5 per cent. 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 per cent. 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 Programme and the expansion of the interest in Transtrend contributed to the higher commission income.

*Other income.* Other income was 46 per cent. 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 per cent. in 2007 to € 7,709 million compared to € 6,887 million in 2006. Staff costs accounted for 58 per cent. of total expenses.

*Staff costs.* The higher staffing level caused staff costs to go up by 8 per cent. 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 per cent. 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 per cent. increase to € 2,846 million in other administrative expenses compared to € 2,429 million in 2006.

*Depreciation.* Depreciation charges were 23 per cent. 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 per cent. 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 per cent. (2006: 13.5 per cent.). 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 per cent. 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 Rabobank Group's domestic retail banking business for the years indicated:

	Year ended 31 December			
	2008	2007 (restated)	2007	2006
		(in millions of euro)		
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
<b>Total income</b> .....	<b>6,401</b>	<b>5,908</b>	<b>5,795</b>	<b>5,551</b>
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

**Year ended 31 December**

		<b>2007</b>		
	<b>2008</b>	<b>(restated)</b>	<b>2007</b>	<b>2006</b>
		<i>(in millions of euro)</i>		
<b>Operating expenses</b> .....	4,044	3,835	3,835	3,877
<b>Gross profit</b> .....	2,357	2,073	1,960	1,674
Value adjustments .....	199	145	145	139
<b>Operating profit before taxation</b> ..	2,158	1,928	1,815	1,535
Taxation .....	541	495	466	444
<b>Net profit</b> .....	1,617	1,433	1,349	1,091

***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income was 8 per cent. higher, at € 6,401 million compared to € 5,908 million in 2007, mainly due to growth in interest income.

*Interest.* The rise in lending and funding through the amounts due to customers resulted in an 11 per cent. increase in interest income, to € 5,005 million compared to € 4,504 million in 2007. The spreads on lending were higher because of higher risk costs and higher funding costs, whereas the spreads on amounts due to customers were depressed by stronger competition in the savings market.

*Fees and commission.* Securities commission income was slightly lower reflecting continued adverse stock market conditions. Insurance commission income was likewise lower than in 2007. Commission income from treasury services and payment services was higher. Total commission income for 2008 showed a net decrease of 2 per cent., to € 1,354 million compared to € 1,379 million in 2007.

*Other income.* Other income increased by € 17 million to € 42 million compared to € 25 million in 2007.

*Operating expenses.* Total operating expenses were 5 per cent. higher in 2008, at € 4,044 million compared to € 3,835 million in 2007.

*Staff costs.* Staff costs were 9 per cent. higher in 2008, at € 2,264 million compared to € 2,072 million in 2007, as a result of higher cost of contractors, salary increases and higher social insurance contributions. Staffing level in the domestic retail banking business declined by 1 per cent. to 28,953 (2007: 29,304) full-time employees.

*Other administrative expenses.* Other administrative expenses were 1 per cent. higher, at € 1,639 million compared to € 1,618 million in 2007.

*Depreciation.* Depreciation decreased by € 4 million to € 141 million compared to € 145 million in 2007, mainly due to lower depreciation on property and equipment.

*Value adjustments.* The item “value adjustments” increased by 37 per cent. in 2008 to € 199 million compared to € 145 million in 2007. Due to the deteriorating economic conditions, loan losses were higher, particularly in the corporate loan portfolio. As a result, the bad debt costs were 8 (2007: 6) basis points of average lending, against the 10-year average of 11 basis points.

*Taxation.* Taxation increased in 2008 by € 46 million to € 541 million compared to € 495 million in 2007.

*Net profit.* Net profit increased by 13 per cent. to € 1,617 million compared to € 1,433 million in 2007.

***Year ended 31 December 2007 compared to year ended 31 December 2006***

*Total income.* Total income was 4 per cent. 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 per cent. 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 per cent. rise in fees and commission income to € 1,379 million, compared to € 1,259 million in 2006. Commission income from insurance activities was 1 per cent. 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 per cent. 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 per cent. lower, at € 2,072 million compared to € 2,118 million in 2006.

*Other administrative expenses.* Other administrative expenses were 1 per cent. 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 per cent. 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 per cent. to 25.5 per cent.

*Net profit.* Net profit increased by 24 per cent. 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 Rabobank Group's wholesale and international retail banking business for the years indicated:

	<b>Year ended 31 December</b>			
	<b>2008</b>	<b>2007 (restated)</b>	<b>2007</b>	<b>2006</b>
	<i>(in millions of euro)</i>			
Interest .....	3,156	1,832	1,832	1,649

Year ended 31 December				
	2008	2007 (restated)	2007	2006
	(in millions of euro)			
Fees and commission.....	304	332	394	372
Other income .....	(1,463)	(175)	320	601
<b>Total income</b> .....	<b>1,997</b>	<b>1,989</b>	<b>2,546</b>	<b>2,622</b>
Staff costs .....	909	890	890	867
Other administrative expenses.....	715	772	772	668
Depreciation .....	84	53	53	51
<b>Operating expenses</b> .....	<b>1,708</b>	<b>1,715</b>	<b>1,715</b>	<b>1,586</b>
<b>Gross profit</b> .....	<b>289</b>	<b>274</b>	<b>831</b>	<b>1,036</b>
Value adjustments .....	786	16	493	234
<b>Operating profit before taxation ..</b>	<b>(497)</b>	<b>258</b>	<b>338</b>	<b>802</b>
Taxation .....	(524)	(76)	(56)	115
<b>Net profit</b> .....	<b>27</b>	<b>334</b>	<b>394</b>	<b>687</b>

***Year ended 31 December 2008 compared to year ended 31 December 2007***

**Total income.** Total income was stable in 2008, at € 1,997 million compared to € 1,989 million in 2007. The item “other income”, which largely includes income from Global Financial Markets, fell by € 1,288 million to negative € 1,463 million compared to negative € 175 million in 2007. Structured Finance saw a 37 per cent. rise in income. Commission income was 8 per cent. lower, at € 304 million compared to € 332 million in 2007, partly as a result of lower commission income from securities brokerage. 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 per cent. rise in interest income, to € 3,156 million compared to € 1,832 million in 2007.

Income from Corporate Banking was 15 per cent. higher. Of total income, 43 per cent. (2007: 32 per cent.) is from international retail banking. Income from international retail banking increased by 34 per cent. to € 864 million compared to € 646 million in 2007, partly as a result of the consolidation of Bank BGZ. As a result of worsened economic conditions in Ireland, ACCBank’s income was lower.

**Interest.** Interest increased by 72 per cent. to € 3,156 million compared to € 1,832 million in 2007 mainly due to the growth in lending in the international retail banking business and Corporate Banking activities and the increased spreads.

**Fees and commission.** Fees and commission income decreased by 8 per cent. to € 304 million compared to € 332 million in 2007 due to lower commission with respect to securities transactions.

**Other income.** Other income fell by € 1,288 million to negative € 1,463 million compared to negative € 175 million in 2007. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this, trading income was lower at Global Financial Markets.

*Operating expenses.* In 2008, total operating expenses were virtually unchanged from 2007, at € 1,708 million compared to € 1,715 million in 2007.

*Staff costs.* Almost all of the growth in staff numbers is due to the consolidation of Bank BGZ. The number of staff rose by 53 per cent. to 15,223 (2007: 9,957) full-time employees. Partly as a result of a reduction of the bonuses however, staff costs increased by only 2 per cent., to € 909 million compared to € 890 million in 2007.

*Other administrative expenses.* Other administrative expenses decreased by 7 per cent. to € 715 million compared to € 772 million in 2007 mainly due to the decrease in non-banking charges as a result of the sale of a few equity investments.

*Depreciation.* Depreciation and amortisation charges were 58 per cent. higher, at € 84 million compared to € 53 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

*Value adjustments.* Although Rabobank International was not directly affected by the failure of certain United States banks in 2008, these events do reflect the 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 31 December 2007 compared to year ended 31 December 2006***

*Total income.* Total income declined by 3 per cent. 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 per cent. 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 per cent. lower and income from Structured Finance was 5 per cent. lower.

Income from Corporate Banking activities was 11 per cent. higher. Of total income, 24 per cent. (2006: 19 per cent.) was from the international retail banking business. Income from retail banking activities was 23 per cent. 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 per cent. 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 per cent. 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 per cent. 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 per cent. to € 1,715 million compared to € 1,586 million in 2006.

*Staff costs.* Staff costs increased by 3 per cent. 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 per cent. 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 Rabobank Group's asset management and investment business for the years indicated:

<b>Year ended 31 December</b>				
	<b>2008</b>	<b>2007*</b> <b>(restated)</b>	<b>2007</b>	<b>2006</b>
	<i>(in millions of euro)</i>			
Interest .....	144	82	82	86
Fees and commission.....	1,084	1,089	1,089	648
Other income .....	390	308	308	102
<b>Total income</b> .....	<b>1,618</b>	<b>1,479</b>	<b>1,479</b>	<b>836</b>
Staff costs .....	559	581	581	330
Other administrative expenses.....	352	320	386	210
Depreciation .....	102	90	24	11
<b>Operating expenses</b> .....	<b>1,013</b>	<b>991</b>	<b>991</b>	<b>551</b>
<b>Gross profit</b> .....	<b>605</b>	<b>488</b>	<b>488</b>	<b>285</b>
Value adjustments .....	42	1	1	0
<b>Operating profit before taxation</b> ..	<b>563</b>	<b>487</b>	<b>487</b>	<b>285</b>
Taxation .....	125	125	125	62

**Year ended 31 December**

	2007*			
	2008	(restated)	2007	2006
	(in millions of euro)			
<b>Net profit</b> .....	438	362	362	223

***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income increased by 9 per cent. to € 1,618 million compared to € 1,479 million in 2007. The gain was primarily due to the sale of Alex and the Transtrend Diversified Trend Programme's strong investment performance.

*Interest.* Mainly due to the increase of interest income at Robeco, interest income was 76 per cent. higher, at € 144 million compared to € 82 million in 2007.

*Fees and commission.* The decrease in assets under management had a negative impact on the asset management fees. This decrease was, however, offset by the Transtrend Diversified Trend Programme's strong investment results. Since Alex has ceased to be consolidated as from 2008, income from securities brokerage decreased sharply. In net terms, commission income was virtually unchanged at € 1,084 million compared to € 1,089 million in 2007.

*Other income.* Other income was 27 per cent. higher, at € 390 million compared to € 308 million in 2007, due, in part, to the gain from the sale of Alex. In 2007, the main drivers of other income were gains from Sarasin's disposal of its Luxembourg activities and income from its brokerage business.

*Operating expenses.* Total operating expenses increased by 2 per cent. in 2008 to € 1,013 million compared to € 991 million in 2007, mainly due to the expansion of Sarasin's activities.

*Staff costs.* The sale of Alex and staff redundancies at Robeco caused a decrease in staff numbers. Due, however, to the expansion of Sarasin's activities, the total staffing level rose by 4 per cent. to 3,620 (2007: 3,468) full-time employees. Staff costs were 4 per cent. lower, at € 559 million compared to € 581 million in 2007, as a result of a reorganisation at Robeco and decreased bonuses.

*Other administrative expenses.* Other administrative expenses rose by 10 per cent. to € 352 million compared to € 320 million in 2007, as a result of the expansion of activities at Sarasin.

*Depreciation.* Due in part to higher depreciation on intangible assets, depreciation and amortisation charges were 13 per cent. higher, at € 102 million compared to € 90 million in 2007.

*Value adjustments.* The adverse conditions in the financial markets resulted in a number of write-offs on financial institutions by Sarasin. As a result, the item "value adjustments" increased by € 41 million to € 42 million compared to € 1 million in 2007.

*Taxation.* Taxation was stable in 2008, at € 125 million in each of 2007 and 2008.

*Net profit.* Net profit increased by 21 per cent. to € 438 million compared to € 362 million in 2007.



### ***Year ended 31 December 2007 compared to year ended 31 December 2006***

*Total income.* Total income increased by 77 per cent. 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 Programme and the expansion of 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 per cent. 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 per cent. to € 362 million compared to € 223 million in 2006.

### ***Leasing***

The following table sets forth certain summarised financial information for Rabobank Group's leasing business for the years indicated:

	<b>Year ended 31 December</b>			
	<b>2007</b>			
	<b>2008</b>	<b>(restated)</b>	<b>2007</b>	<b>2006</b>
	<i>(in millions of euro)</i>			
Interest .....	530	518	518	507
Fees and commission.....	61	52	52	49
Other income .....	424	425	425	286
<b>Total income</b> .....	<b>1,015</b>	<b>995</b>	<b>995</b>	<b>842</b>
Staff costs .....	377	369	369	305
Other administrative expenses.....	188	193	193	168

**Year ended 31 December**

		<b>2007</b>		
	<b>2008</b>	<b>(restated)</b>	<b>2007</b>	<b>2006</b>
		<i>(in millions of euro)</i>		
Depreciation .....	31	32	32	21
<b>Operating expenses</b> .....	<b>596</b>	<b>594</b>	<b>594</b>	<b>494</b>
<b>Gross profit</b> .....	<b>419</b>	<b>401</b>	<b>401</b>	<b>348</b>
Value adjustments .....	118	100	100	77
<b>Operating profit before taxation</b> ..	<b>301</b>	<b>301</b>	<b>301</b>	<b>271</b>
Taxation .....	66	67	67	65
<b>Net profit</b> .....	<b>235</b>	<b>234</b>	<b>234</b>	<b>206</b>

***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* Total income increased by 2 per cent. to € 1,015 million compared to € 995 million in 2007. Although the spreads on new contracts improved, the spreads for the portfolio as a whole were lower due to increased funding costs.

*Interest.* Interest income rose by 2 per cent. to € 530 million compared to € 518 million in 2007 as a result of growth of the loan portfolio.

*Fees and commission.* Commission income was 17 per cent. higher, at € 61 million compared to € 52 million in 2007, due to higher brokerage commission income.

*Other income.* The greater part of income from car-leasing activities is recognised under other income. Other income remained stable, at € 424 million compared to € 425 million in 2007.

*Operating expenses.* Total operating expenses were stable in 2008, at € 596 million compared to € 594 million in 2007.

*Staff costs.* Increased activities resulted in a 6 per cent. rise in staff numbers, to 4,667 (2007: 4,411) full-time employees. This contributed to the 2 per cent. rise in staff costs to € 377 million compared to € 369 million in 2007.

*Other administrative expenses.* Other administrative expenses decreased by 3 per cent. to € 188 million compared to € 193 million in 2007, mainly as a result of lower marketing and automation costs.

*Depreciation.* Depreciation was stable in 2008, at € 31 million compared to € 32 million in 2007.

*Value adjustments.* The growth in the loan portfolio and the worsened economic situation caused an 18 per cent. increase in the item “value adjustments” in 2008, to € 118 million compared to € 100 million in 2007. In terms of basis points of the average loan portfolio, the bad debt costs were 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 31 December 2007 compared to year ended 31 December 2006***

*Total income.* Total income increased by 18 per cent. 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 per cent. 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 per cent. growth in other income to € 425 million compared to € 286 million in 2006.

*Operating expenses.* Total operating expenses were 20 per cent. higher in 2007, at € 594 million compared to € 494 million in 2006.

*Staff costs.* The greater part of the 21 per cent. 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 per cent. 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 per cent. 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 per cent. higher at € 234 million compared to € 206 million in 2006.

### ***Real estate***

The following table sets forth certain summarised financial information for Rabobank Group's real estate business for the years indicated:

	<b>Year ended 31 December</b>			
	<b>2008</b>	<b>2007 (restated)</b>	<b>2007</b>	<b>2006</b>
	<i>(in millions of euro)</i>			
Interest.....	85	72	72	98
Fees and commission.....	31	1	1	1
Other income .....	311	573	573	145
<b>Total income .....</b>	<b>427</b>	<b>646</b>	<b>646</b>	<b>244</b>

**Year ended 31 December**

		<b>2007</b>		
	<b>2008</b>	<b>(restated)</b>	<b>2007</b>	<b>2006</b>
		<i>(in millions of euro)</i>		
Staff costs .....	220	217	217	55
Other administrative expenses .....	131	167	167	43
Depreciation .....	43	51	51	3
<b>Operating expenses</b> .....	<b>394</b>	<b>435</b>	<b>435</b>	<b>101</b>
<b>Gross profit</b> .....	<b>33</b>	<b>211</b>	<b>211</b>	<b>143</b>
Value adjustments .....	0	2	2	(1)
<b>Operating profit before taxation ..</b>	<b>33</b>	<b>209</b>	<b>209</b>	<b>144</b>
Taxation .....	9	55	55	40
<b>Net profit</b> .....	<b>24</b>	<b>154</b>	<b>154</b>	<b>104</b>

***Year ended 31 December 2008 compared to year ended 31 December 2007***

*Total income.* In 2008, total income fell by 34 per cent. to € 427 million compared to € 646 million in 2007.

*Interest.* Interest income was 19 per cent. higher, at € 85 million compared to € 72 million in 2007, due to higher interest income at FGH Bank as a result of portfolio growth.

*Fees and commission.* Commission income increased by € 30 million to € 31 million compared to € 1 million in 2007, primarily as a result of higher asset management commission income at Bouwfonds REIM.

*Other income.* Other income was 46 per cent. lower, at € 311 million compared to € 573 million in 2007, due to lower project results and in particular the decline in the number of owner-occupied houses sold.

*Operating expenses.* Total operating expenses were 9 per cent. lower in 2008, at € 394 million compared to € 435 million in 2007.

*Staff costs.* Staff numbers rose by 3 per cent. to 1,743 (2007: 1,700) full-time employees. As a result, staff costs increased by 1 per cent. to € 220 million compared to € 217 million in 2007.

*Other administrative expenses.* Other administrative expenses were 22 per cent. lower, at € 131 million compared to € 167 million in 2007, mainly due to the decrease in depreciation of intangible assets.

*Depreciation.* Depreciation decreased in 2008 by € 8 million to € 43 million compared to € 51 million in 2007.

*Value adjustments.* Value adjustments decreased in 2008 to € 0 million compared to € 2 million in 2007.

*Taxation.* Taxation decreased in 2008 by € 46 million to € 9 million compared to € 55 million in 2007.

*Net profit.* Net profit fell by 85 per cent. to € 24 million compared to € 154 million in 2007.

### ***Year ended 31 December 2007 compared to year ended 31 December 2006***

*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 were 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 per cent. to € 154 million compared to € 104 million in the previous year.

### **Liquidity and capital resources**

Rabobank Group's total assets were € 615.4 billion at 30 June 2009, a 1 per cent. increase from € 612.1 billion at 31 December 2008. The largest proportion of Rabobank Group's existing lending portfolio (not including investments in Dutch treasury securities, other Dutch public sector bonds and securities and interbank deposit placements) consists of residential mortgage loans, which in the Netherlands are primarily fixed rate.

### **Loans to customers**

Loans to customers increased by 2 per cent., 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 per cent. 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 per cent. 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 per cent. increase.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2008 and 31 December 2007, by category of borrower:

	At 31 December			
	2008		2007	
	(in millions of euro and as per cent. of total private sector loan portfolio)			
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%
<b>Total</b> .....	<b>408,620</b>	<b>100%</b>	<b>355,973</b>	<b>100%</b>

The maturities of loans granted by Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of Rabobank Group's total loans to customers (public and private sector) and professional securities transactions at 31 December 2008 and 31 December 2007:

	At 31 December			
	2008		2007	
	(in millions of euro and as per cent. of loans to customers)			
Less than 1 year.....	70,783	17%	87,150	23%
More than 1 year.....	355,550	83%	285,818	77%
<b>Total</b> .....	<b>426,283</b>	<b>100%</b>	<b>372,968</b>	<b>100%</b>

### **Funding**

At 31 December 2008, amounts due to customers of Rabobank Group were € 304.2 billion, an increase of 10 per cent. compared to 31 December 2007. The balance held in savings deposits increased by € 13.5 billion to € 114.7 billion, an increase of 13 per cent. 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 Rabobank Group's sources of funding by source at 31 December 2008, 31 December 2007 and 31 December 2006:

<b>Year ended 31 December</b>				
	<b>2008</b>	<b>2007*</b> <b>(restated)</b>	<b>2007</b>	<b>2006</b>
	<i>(in millions of euro)</i>			
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

	Year ended 31 December			
	2007*			
	2008	(restated)	2007	2006
	<i>(in millions of euro)</i>			
Other financial liabilities at fair value through profit and loss .....	24,797	27,303	27,303	26,270
<b>Total</b> .....	<b>464,790</b>	<b>445,725</b>	<b>418,630</b>	<b>389,253</b>

Rabobank Group also receives funds from the interbank and institutional market. Rabobank Group's total due to other banks was € 23.9 billion at 31 December 2008, a 48 per cent. 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 31 December 2008				
	Trading	Other at fair value through profit and loss	Available-for-sale	Held-to-maturity	Total
	(in millions of euro)				
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
<b>Total bonds</b> .....	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
<b>Total shares</b> .....	2,190	875	994	0	4,059
Other financial assets .....	205	1,156	1,022	0	2,383
<b>Total</b> .....	11,576	7,896	31,665	497	51,634
Category 1 <sup>(1)</sup> .....	10,670	6,654	30,413	497	48,234
Category 2 <sup>(1)</sup> .....	861	869	1,239	0	2,969
Category 3 <sup>(1)</sup> .....	45	373	13	0	431

**Other financial assets at 31 December 2007**

	<b>Trading</b>	<b>Other at fair value through profit and loss</b>	<b>Available- for-sale</b>	<b>Held-to- maturity</b>	<b>Total</b>
	<i>(in millions of euro)</i>				
Purchased loans .....	2,350	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
<b>Total bonds</b> .....	<b>19,157</b>	<b>9,329</b>	<b>47,601</b>	<b>859</b>	<b>76,946</b>
Venture capital .....	0	314	0	0	314
Equity instruments .....	7,173	6,382	1,279	0	14,834
<b>Total shares</b> .....	<b>7,173</b>	<b>6,696</b>	<b>1,279</b>	<b>0</b>	<b>15,148</b>
Other financial assets .....	201	2,047	793	0	3,041
<b>Total</b> .....	<b>29,179</b>	<b>18,133</b>	<b>50,355</b>	<b>859</b>	<b>98,526</b>
Category 1 <sup>(1)</sup> .....	24,358	17,476	37,997	859	80,690
Category 2 <sup>(1)</sup> .....	4,821	608	12,333	0	17,762
Category 3 <sup>(1)</sup> .....	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.

**At 31 December 2008**

	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>No repayment date</b>	<b>Total</b>
	<i>Payments due by period (in millions of euro)</i>						
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 Rabobank Group stands surety for commitments of third parties.

	<b>At 31 December</b>	
	<b>2008</b>	<b>2007</b>
	<i>(in millions of euro)</i>	
Guarantees, etc.....	9,515	8,992
Irrevocable letters of credit.....	1,540	2,402
Other contingent liabilities .....	208	21
<b>Total contingent liabilities .....</b>	<b>11,263</b>	<b>11,415</b>

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. 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.

	<b>At 31 December</b>	
	<b>2008</b>	<b>2007</b>
	<i>(in millions of euro)</i>	
Unused credit facilities .....	30,878	35,553
Other .....	510	770
<b>Total irrevocable facilities .....</b>	<b>31,388</b>	<b>36,323</b>
Revocable credit facilities .....	44,402	36,432
<b>Total credit-related and contingent liabilities .....</b>	<b>75,790</b>	<b>72,755</b>

### **Capital adequacy**

Capital adequacy and the use of capital are monitored by Rabobank Group and its subsidiaries, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practices (the "**Basel Committee**") and implemented by the EU and the Dutch legislator and the Dutch Central Bank (*De Nederlandsche Bank*, or "**DNB**") for supervisory purposes.

The DNB, in conjunction with other bank supervisors, regards the risk asset ratio developed by the Basel Committee as a key supervisory tool and sets individual ratio requirements for banks in the Netherlands. This ratio was designed to meet the dual objectives of strengthening the soundness and stability of the international banking system and of creating a fair and consistent supervisory framework for international banks by means of an international convergence of capital measurement and capital standards. The technique involves the application of risk weightings to assets (which for this purpose includes both balance sheet assets and off-balance sheet items) to reflect the credit and other risks associated with broad categories of transactions and counterparties.

The Basel Committee guidelines set a minimum total risk asset ratio for all international banks of 8 per cent. Bank capital adequacy requirements have also been established pursuant to EU directives. These directives, as implemented in the Netherlands, set forth capital standards similar to those of the Basel Committee guidelines.

On 1 January 2008, Rabobank Group adopted the Advanced Internal Rating Based (“**AIRB**”) Approach to the majority of its significant portfolios that contain credit risk in accordance with the approvals granted by the DNB, and various local regulators, as required. However, there remains a small portion of the portfolio that is subject to the Standardised Approach (“**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 1 January 1996, established minimum capital requirements for banks and investment firms for market risks. The CAD was based on a proposal by the Basel Committee and has now been recast by later EU directives.

The risk asset approach to capital adequacy emphasises the importance of Tier 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 per cent. is ascribed. With the introduction of the Basel II framework the risk weighting is more risk sensitive and based on internal assessments of the creditworthiness of counterparties. In practice, this leads to an exposure-specific risk weighting. Off-balance sheet items are generally converted to credit risk equivalents by applying credit conversion factors. The resulting amounts are then again risk-weighted according to the nature of the counterparty.

In the case of interest and exchange rate related contracts, the risks involved relate to the potential loss of cash flows rather than notional principal amounts. These risks are represented by the replacement cost (as defined by the DNB) of the contracts plus an add-on to reflect potential future volatility in replacement cost arising from movements in market rates.

For a discussion of the Basel II framework, see “Regulation of Rabobank Group”.

The Tier 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 per cent. (2008: 12.7 per cent.). The minimum requirement set by the external supervisors is 4 per cent. The high Tier I ratio is one of the reasons for Rabobank Nederland’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 per cent. (2008: 13.0 per cent.). This exceeds the minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the risk-weighted capital ratios of Rabobank Group at 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

<i>(amounts in millions of euro, except percentages)</i>	At 30 June		At 31 December
	2009	2008	2007
Tier I capital <sup>1</sup> .....	31,178	30,358	28,518
Tier I ratio <sup>1</sup> .....	13.0%	12.7%	10.7%
Qualifying capital <sup>1</sup> .....	32,273	30,912	29,190
BIS ratio <sup>1</sup> .....	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 1 January 2008.

#### Selected statistical information\*

The following section discusses selected statistical information regarding Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "— Results of operations" for an analysis of fluctuations in Rabobank Group's results between periods.

#### Return on equity and assets

The following table presents information relating to Rabobank Group's return on equity and assets for each of the past three years:

	2008	2007	2006
Return on assets <sup>1</sup> .....	0.47%	0.45%	0.43%
Return on equity <sup>2</sup> .....	8.67%	8.81%	8.57%
Equity to assets ratio <sup>3</sup> .....	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>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Outstanding Rabobank Member Certificates <sup>1</sup> .....	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***

Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses Rabobank Group's loan portfolio by sector at 31 December 2008, 31 December 2007 and 31 December 2006:

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
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
<b>Total loans (gross) excluding securities transactions.</b>	<b>420,598</b>	<b>363,350</b>	<b>329,452</b>
Securities transactions .....	3,812	14,422	28,396
Hedge accounting .....	(5,003)	(2,522)	(675)
<b>Total loans (gross) including securities transactions .</b>	<b>429,413</b>	<b>375,250</b>	<b>357,173</b>
<b>Total loans (net)<sup>1</sup> .....</b>	<b>426,283</b>	<b>372,968</b>	<b>354,924</b>

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 Rabobank Group's loan portfolio at 31 December 2008, 31 December 2007 and 31 December 2006:

<i>(in millions of euro)</i>	<b>At 31 December</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Public sector</b>			
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
<b>Total public sector</b> .....	<b>8,848</b>	<b>5,095</b>	<b>3,093</b>
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
<b>Total private sector<sup>1</sup></b> .....	<b>408,620</b>	<b>355,973</b>	<b>324,110</b>

Notes:

(1) After provisions for loan losses.

### ***Maturities and interest rate sensitivity of loan portfolio***

#### ***Domestic retail - interest rate risk position, at 31 December 2008***

<i>(in millions of euro)</i>	<b>On demand</b>	<b>1 to 3 months</b>	<b>4 to 6 months</b>	<b>7 to 9 months</b>	<b>10 to 12 months</b>	<b>1 to 5 years</b>	<b>5 to 10 years</b>	<b>More than 10 years</b>	<b>Non-rate sensitive</b>	<b>Total</b>
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 .....	0	73,700	21,110	41	316	8,487	(14,221)	22,490	0	111,923
Liabilities off balance ..	0	14,972	7,943	2,018	1,529	35,899	29,144	20,486	0	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 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 per cent. 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 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings 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 per cent. of total assets, by type of borrower:

<i>(in millions of euro)</i>	<b>Public</b>			<b>Total</b>
	<b>Banks</b>	<b>authorities</b>	<b>Private sector</b>	
<b>At 31 December 2008</b>				
France .....	2,856	1,595	4,500	8,951
Germany .....	4,624	3,919	6,825	15,368
Ireland .....	925	561	9,273	10,759
United Kingdom .....	11,857	2,566	9,276	23,699
Poland .....	161	1,438	5,048	6,647
United States .....	5,796	8,225	51,169	65,190
Japan .....	914	6,664	205	7,783
Australia .....	1,427	1,164	9,360	11,951
<b>At 31 December 2007</b>				
France .....	2,382	1,402	3,437	7,221
Belgium .....	2,766	1,005	2,311	6,082
Germany .....	5,640	3,428	6,579	15,647
Ireland .....	1,797	413	10,205	12,415

<i>(in millions of euro)</i>	<b>Banks</b>	<b>Public authorities</b>	<b>Private sector</b>	<b>Total</b>
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
<b>At 31 December 2006</b>				
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, the 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:

<b>At 31 December 2008</b>			
<i>(in millions of euro)</i>	<b>On balance</b>	<b>Off balance</b>	<b>Total</b>
<b>Food and Agri</b>			
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
<b>Total Food and Agri.....</b>	<b>68,326</b>	<b>1,581</b>	<b>69,907</b>

**At 31 December 2008**

<i>(in millions of euro)</i>	<b>On balance</b>	<b>Off balance</b>	<b>Total</b>
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
<b>Total trade, manufacturing and services .....</b>	<b>146,336</b>	<b>9,026</b>	<b>155,362</b>
Private individuals .....	193,958	428	194,386
<b>Total .....</b>	<b>408,620</b>	<b>11,035</b>	<b>419,656</b>

In addition to advances to other banks (€ 34 billion at 31 December 2008, which is 6 per cent. of total assets), Rabobank Group's portfolio contains a concentration of loans to private individuals. The total on-balance outstandings to private individuals is 47 per cent. of the total of on-balance private sector loans. Loans in Rabobank Group's portfolio are diversified across numerous sub-industry sectors. None of these is larger than 10 per cent. 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 Rabobank Group's impaired loans by business at 31 December 2008, 31 December 2007 and 31 December 2006:

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Member banks .....	2,701	1,850	2,534
Rabohypotheekbank .....	62	36	34
Other retail .....	67	49	48
<b>Total domestic retail banking .....</b>	<b>2,831</b>	<b>1,935</b>	<b>2,617</b>
The Netherlands .....	347	213	394
Abroad .....	2,835	978	1,061
<b>Total wholesale and international retail banking .....</b>	<b>3,182</b>	<b>1,191</b>	<b>1,455</b>
Asset Management .....	42	4	1
Leasing .....	378	324	281
Other .....	140	16	1
<b>Rabobank Group .....</b>	<b>6,573</b>	<b>3,470</b>	<b>4,355</b>

#### *Summary of loan loss experience*

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to banks and customers for the past three years:

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
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
<b>Total balance at 1 January .....</b>	<b>2,355</b>	<b>2,333</b>	<b>2,438</b>
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
Real estate .....	0	3	(1)
Other .....	42	0	2
<b>Total additions .....</b>	<b>1,249</b>	<b>296</b>	<b>480</b>
Domestic retail banking .....	(164)	(130)	(157)

	At 31 December		
<i>(in millions of euro)</i>	2008	2007	2006
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
<b>Total amount charged to the provisions.....</b>	<b>(441)</b>	<b>(332)</b>	<b>(568)</b>
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)
<b>Total other .....</b>	<b>136</b>	<b>58</b>	<b>(17)</b>
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
<b>Total balance at 31 December.....</b>	<b>3,299</b>	<b>2,355</b>	<b>2,333</b>
Total additions .....	1,249	296	480
Recoveries .....	(60)	(31)	(30)
<b>Bad debt costs .....</b>	<b>1,189</b>	<b>266</b>	<b>450</b>

### ***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 31 December		
<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
<b>Total deposits by businesses .....</b>	<b>173,376</b>	<b>163,130</b>	<b>133,573</b>

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Savings accounts.....	114,680	101,175	89,500
Current accounts.....	13,230	11,848	11,056
Other.....	2,928	457	788
<b>Total deposits by individuals.....</b>	<b>130,838</b>	<b>113,480</b>	<b>101,344</b>
<b>Total deposits by businesses and individuals.....</b>	<b>304,214</b>	<b>276,610</b>	<b>234,917</b>

### **Short-term borrowings**

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated 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.

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
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 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.

	<b>At 31 December</b>		
<i>(in millions of euro)</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
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 Rabobank Group, which have been reviewed by Ernst & Young Accountants LLP, independent auditors, with the exception of the additional financial ratios, which are derived from the annual report and the interim report of 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 Offering Circular. The Rabobank Group reviewed condensed consolidated interim financial information for the periods ended 30 June 2009 and 30 June 2008 have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union. The Rabobank Group audited consolidated financial statements for the period ended 31 December 2008 have been prepared in accordance with IFRS as adopted by the European Union (“IFRS”).

### Condensed consolidated balance sheet

*(in millions of euro)*

	30-Jun-09	31-Dec-08	30-Jun-08
<b>Assets</b>			
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
<b>Total assets</b> .....	<b>615,361</b>	<b>612,120</b>	<b>567,787</b>

*(in millions of euro)*

	30-Jun-09	31-Dec-08	30-Jun-08
<b>Liabilities</b>			
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

<i>(in millions of euro)</i>	<b>30-Jun-09</b>	<b>31-Dec-08</b>	<b>30-Jun-08</b>
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
<b>Total liabilities .....</b>	<b>578,508</b>	<b>578,661</b>	<b>535,595</b>
<b>Total equity.....</b>	<b>36,853</b>	<b>33,459</b>	<b>32,192</b>
<b>Total equity and liabilities .....</b>	<b>615,361</b>	<b>612,120</b>	<b>567,787</b>

### Condensed consolidated profit and loss account

<i>(in millions of euro)</i>	<b>First half 2009</b>	<b>First half 2008</b>
Interest .....	3,885	3,919
Fees and commission .....	1,216	1,473
Other income .....	1,156	361
<b>Total income .....</b>	<b>6,257</b>	<b>5,753</b>
Staff costs .....	2,101	2,184
Other administrative expenses .....	1,337	1,281
Depreciation and amortisation .....	257	252
<b>Operating expenses .....</b>	<b>3,695</b>	<b>3,717</b>
Value adjustments .....	1,119	158
<b>Operating profit before taxation .....</b>	<b>1,443</b>	<b>1,878</b>
Taxation .....	127	265
<b>Net profit .....</b>	<b>1,316</b>	<b>1,613</b>
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
<b>Net profit for the period .....</b>	<b>1,316</b>	<b>1,613</b>

**Additional financial ratios:**

	<b>30-Jun-09</b>	<b>31-Dec-08</b>	<b>30-Jun-08</b>
BIS ratio <sup>1</sup> .....	13.5%	13.0%	11.2% <sup>2</sup>
Tier I ratio <sup>1</sup> .....	13.0%	12.7%	11.6% <sup>2</sup>
Bad debt costs (in basis points of average lending) .....	55	31	9

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Notes:

(2) These figures have been based on the Basel II requirements with effect from 2008.

(3) At 30 June 2008 these ratios have been calculated taking into consideration a floor of 90 per cent.

## RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (“**BRMC-RG**”) in co-operation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments and advising the Executive Board on all relevant issues regarding risk management. Rabobank Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in co-operation 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 Rabobank Group.

The principal risks faced by 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 Rabobank Group’s business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group’s activities also plays a significant part in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the six months ended 30 June 2009, Rabobank realised a RAROC after tax of 11.8 per cent.

### **Market risk**

Market risk relates to the change in value of Rabobank Group’s trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors Rabobank Group’s worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the DNB. Rabobank Group’s risk models are based on the “Value at Risk” concept. Value at Risk describes the maximum possible loss that Rabobank Group can suffer in a single day, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These “event risk scenarios” measure the effect of sharp and sudden changes in market prices. Statistical models are also used to generate other risk measures which assist the Market Risk department, as well as the BRMC-RG in evaluating Rabobank Group’s market positions.

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 per cent. 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 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

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group manages interest rate risk 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.

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.

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 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 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

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 Rabobank Group's credit loan portfolio to the private sector, 47 per cent. 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 per cent. consisted of a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

With respect to the management of Rabobank Group's exposure to credit risk, Rabobank Nederland's Credit Risk Management department and Group Risk Management department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

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 31 December		
	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 per cent. 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 Rabobank Group.

The table below sets forth Rabobank Group's bad debt costs for the six months ended 30 June 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 30 June	Year ended 31 December		
	2009	2008	2007	2006
Domestic retail .....	0.34%	0.08%	0.06%	0.07%
Wholesale and international retail banking.....	1.23%	0.93%	0.02%	0.39%
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 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 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. 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 Rabobank Group will not be able to meet its financial liabilities when due. 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 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 co-operation 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. 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 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, 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 among 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 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 1 January 2007, the local Rabobanks are organised geographically in 12 regions. The Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*centrale kringvergadering*). 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 to 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 the 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 local, regional and central levels. 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 licence 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 – beside 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 in 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 remedy 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 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, and 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 among 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 Offering Circular, and in particular to the section above on "— Controls over financial reporting", which addresses risks relating to financial reporting, and "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 Appointed <sup>(1)</sup>	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2013	Dutch
Irene (I.P.) Asscher-Vonk	1944	2009	2013	Dutch
Bernard (B.) Bijvoet	1940	2002	2012	Dutch
Tom (A.) de Bruijn	1953	2009	2013	Dutch
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.

<b>Mr L. Koopmans (Lense)</b>	
<i>Date of Birth</i>	17 June 1943
<i>Profession</i>	- Professional supervisory director - Emeritus Professor at the University of Groningen
<i>Main positions</i>	- Chairman of the Supervisory Board of Rabobank Nederland - Chairman of the Board of Directors of Stichting TBI
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> - 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 NOM N.V. - Member of the Supervisory Board of KIWA N.V.
	<u>Other auxiliary positions:</u> - Member of the Board of Directors of Stichting Administratiekantoor Unilever N.V. - Vice-Chairman of the Board of Supervision of the University Medical Center Groningen - Chairman of the Board of Supervision of the Fries Museum en Prinsessehof

<i>Date of first appointment to the Supervisory Board</i>	June 2002 (Member of the Board of Directors from June 1996 until June 2002)
<i>Current term of appointment to the Supervisory Board</i>	June 2009 - June 2013

<b>Mrs I.P. Asscher-Vonk (Irene)</b>	
<i>Date of Birth</i>	5 September 1944
<i>Profession</i>	Professional supervisory director
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Member of the Supervisory Board of KLM</li> <li>- Member of the Supervisory Board of Arriva Nederland</li> <li>- Member of the Supervisory Board of PGGM N.V.</li> <li>- Member of the Supervisory Board of Philip Morris Holland</li> <li>- Member of the Supervisory Board of TBI</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Chairman of the Episcopal Court (<i>Bisschoppelijk Scheidsgerecht</i>)</li> <li>- Member of the Governmental Advice and Arbitration committee (<i>Advies- en Arbitragecommissie Rijksdienst</i>)</li> <li>- Chairman National Arbitration Board for Schools (<i>Landelijke Geschillencommissie Scholen</i>)</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2009
<i>Current term of appointment to the Supervisory Board</i>	June 2009 - June 2013

<b>Mr B. Bijvoet (Bernard)</b>	
<i>Date of Birth</i>	12 April 1940
<i>Profession</i>	Professional supervisory director
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Member of the Supervisory Board of Essent N.V.</li> <li>- Member of the Supervisory Board of Eureko B.V.</li> <li>- Chairman of the Supervisory Board of AH Kaascentrale B.V.</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2002
<i>Current term of appointment to the Supervisory Board</i>	June 2008 - June 2012

<b>Mr A. de Bruijn (Tom)</b>	
<i>Date of Birth</i>	9 July 1953
<i>Profession</i>	Grower of cut flowers and potted plants
<i>Main position</i>	Grower of cut flowers and potted plants
<i>Nationality</i>	Dutch

<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> Member of the Supervisory Board of Rabobank Nederland
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Acting member of the Board of Directors of Vereniging Achmea</li> <li>- Chairman Program Advisory Committee Greenhouse Farming Research (<i>Commodity Board for Horticulture / productschap tuinbouw</i>)</li> <li>- Member of the Board of the Dutch Foundation for Innovation in Greenhouse Farming (<i>Stichting Innovatie Glastuinbouw Nederland</i>)</li> <li>- Chairman of the Cooperative Growers Society FresQ (Coöperatieve Telersvereniging)</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2009
<i>Current term of appointment to the Supervisory Board</i>	June 2009 - June 2013

<b>Mr S.E. Eisma (Sjoerd)</b>	
<i>Date of Birth</i>	4 March 1949
<i>Profession</i>	Attorney-at-Law/Partner De Brauw Blackstone Westbroek N.V.
<i>Main position</i>	Attorney-at-Law
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Chairman of the Supervisory Board of HAL Holding N.V.</li> <li>- Vice-Chairman of the Supervisory Board of Grontmij N.V.</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Professor occupying an endowed chair at the University of Amsterdam</li> <li>- Member of the Capital Market Committee, Financial Markets Authority (<i>Autoriteit Financiële Markten</i>)</li> <li>- Vice-Chairman of the Board of Directors of the Securities Law Association</li> <li>- Member of the Board of Directors of the Anton Philips Fund</li> <li>- Member of the Board of Directors of Stichting Pensioenfonds HAL</li> <li>- Member of the Advisory Board of Sunsmile Trading/Sunsmile de Mozambique, Limitada</li> <li>- Member of the Board of Directors of Willem-Alexander Kinderfonds</li> <li>- Member of the Board of Stichting Haags Kinderatelier</li> <li>- Vice-Chairman of the Board of Stichting Holland Financial Centre</li> <li>- Chairman of the Board of Supervision of the Royal Academy of Art, Music and Dance (<i>Hogeschool van Beeldende Kunsten, Muziek en Dans</i>)</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2002 (Member of the Board of Supervision of Rabobank Nederland from June 1998 until June 2002)
<i>Current term of appointment to the Supervisory Board</i>	June 2008 - June 2010

<b>Mrs L.O. Fresco (Louise)</b>	
<i>Date of Birth</i>	11 February 1952
<i>Profession</i>	<ul style="list-style-type: none"> <li>- Professional director</li> <li>- Professor</li> </ul>
<i>Main positions</i>	<ul style="list-style-type: none"> <li>- University Professor, University of Amsterdam</li> <li>- Distinguished Professor at Wageningen University</li> </ul>
<i>Nationality</i>	Dutch

<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Non-executive Director, Unilever N.V./Unilever PLC</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Member of the Recommendation Committee for the University Asylum Fund</li> <li>- Member of the Spanish Academy of Engineering Sciences and the Swedish Academy of Agricultural and Forestry Sciences</li> <li>- Crown-Appointed Member of the Social and Economic Council of the Netherlands (<i>SER</i>)</li> <li>- Vice-Chairman of the Board of Supervision of the United Nations University in Tokyo</li> <li>- Columnist NRC Handelsblad</li> <li>- Member of the former Delta Committee</li> <li>- Member of the Trilateral Committee</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2006
<i>Current term of appointment to the Supervisory Board</i>	June 2006 - June 2010

<b>Mr M. Minderhoud (Marinus)</b>	
<i>Date of Birth</i>	13 September 1946
<i>Profession</i>	None
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary Positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Vice-Chairman of the Supervisory Board of Eureko B.V.</li> <li>- Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V.</li> <li>- Chairman Vodafone International Holdings B.V.</li> <li>- Chairman of Vodafone Europe B.V.</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2002
<i>Current term of appointment to the Supervisory Board</i>	June 2007 - June 2011

<b>Mr P.F.M. Overmars (Paul)</b>	
<i>Date of Birth</i>	13 August 1945
<i>Profession</i>	Former Vice-Chairman of the Executive Board of Eureko B.V. and former CEO of Achmea (currently retired)
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland.</li> <li>- Member of the Supervisory Board of Eureko B.V.</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Vice-Chairman of the Board of Directors of Vereniging Achmea</li> <li>- Chairman of the Stichting Muziek in Grote of Sint Jeroenskerk in Noordwijk</li> </ul>

	- Chairman of the Board of Directors of the Eureko/Achmea Foundation
<i>Date of first appointment to the Supervisory Board</i>	15 November 2005 (June 2005)
<i>Current term of the appointment to the Supervisory Board</i>	June 2008 - June 2012

<b>Mr H.C. Scheffer (Herman)</b>	
<i>Date of Birth</i>	3 January 1948
<i>Profession</i>	Professional supervisory director
<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> - Member of the Supervisory Board of Rabobank Nederland - Member of the Supervisory Board of Drie Mollen sinds 1818 B.V. - Member of the Supervisory Board of the Cooperative Cehave Landbouwbelang U.A. - Member of the Supervisory Board of Heerema Group - Member of the Supervisory Board of Elysians B.V.
	<u>Other auxiliary positions:</u> - Member of the Advisory Board of Gilde
<i>Date of first appointment to the Supervisory Board</i>	June 2002 (Member of the Board of Supervision of Rabobank Nederland from June 1998 until June 2002)
<i>Current term of appointment to the Supervisory Board</i>	June 2006 - June 2010

<b>Mr M.J.M. Tielen (Martin)</b>	
<i>Date of Birth</i>	22 September 1942
<i>Profession</i>	Professor
<i>Main position</i>	Emeritus Professor at Utrecht University
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> - Member of the Supervisory Board of Rabobank Nederland
	<u>Other auxiliary positions:</u> - Member of the Executive Board and Treasurer of the International Society for Animal Hygiene (ISAH) - Chairman of the Stichting Stimulering Agrarisch Onderwijs en Praktijk - Chairman of the Stichting Professor Tielen Fonds - Acting member of the Board of Directors of Vereniging Achmea - Professor Honoris Causa University of Environmental and Life Science in Wroclaw
<i>Date of first appointment to the Supervisory Board</i>	June 2002
<i>Current term of appointment to the Supervisory Board</i>	June 2009 - June 2013

<b>Mr A.W. Veenman (Aad)</b>	
<i>Date of Birth</i>	17 June 1947
<i>Profession</i>	Professional director / supervisory director

<i>Main position</i>	None
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Member of the Supervisory Board of TenneT B.V.</li> <li>- Member of the Supervisory Board of GVB (<i>Gemeentelijk Vervoerbedrijf Amsterdam</i>)</li> <li>- Chairman of the Supervisory Board of Woonbron</li> <li>- Member of the Supervisory Board of SPF Beheer B.V.</li> <li>- Member Supervisory Board Eureko B.V.</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Chairman of the Board of Supervision of ICT Regie</li> <li>- Member of the Board of Supervision of ECN</li> <li>- Chairman Advisory Board Nationaal Lucht- &amp; Ruimtevaartlaboratorium</li> <li>- Chairman Monitoring Committee Talent naar de Top (Ministeries van OCW en EZ)</li> <li>- Chairman Landelijke Commissie Valorisation (Ministeries van OCW en EZ)</li> <li>- Taskforce Manager Wind op Zee (Ministerie van EZ)</li> <li>- Chairman Museumcommissie Centraal Museum Utrecht</li> <li>- Chairman Raad Wetenschap, Techniek en Maatschappij (KIVI NIRIA)</li> <li>- Member Board of Directors Next Generation Infrastructures</li> <li>- Member Stichting DHV (consultancy &amp; engineering)</li> <li>- Member Advisory Board Erasmus School of Accounting &amp; Assurance</li> <li>- Chairman Board NINTES Foundation</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2002 (Member of the Board of Supervision of Rabobank Nederland from June 1998 until June 2002)
<i>Current term of appointment to the Supervisory Board</i>	June 2006 - June 2010

<b>Mr C.P. Veerman (Cees)</b>	
<i>Date of Birth</i>	8 March 1949
<i>Profession</i>	<ul style="list-style-type: none"> <li>- Professor</li> <li>- Professional director / supervisory director</li> </ul>
<i>Main positions</i>	<ul style="list-style-type: none"> <li>- CEO of Bracamonte B.V. in Groesbeek</li> <li>- Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective</li> </ul>
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Member of the Supervisory Board of USG People</li> <li>- Member of the Supervisory Board of Prominent</li> <li>- Member of the Supervisory Board of Clearwood B.V.</li> <li>- Member of the Supervisory Board of Barenbrug B.V.</li> <li>- Member of the Supervisory Board of Koninklijke Reesink N.V.</li> <li>- Member of the Supervisory Board of the Netherlands Genomics Initiative (until 1 January 2010)</li> <li>- Member of the Board of Supervision of the Knowledge for Climate research project (Kennis voor Klimaat)</li> <li>- Member of the Board of Supervision Deltares</li> <li>- Member of the Supervisory Board of KDS</li> <li>- Member Board of Management NOW</li> </ul>

	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Chairman Deltacommissie (2007)</li> <li>- Chairman of the Society for the Preservation of Nature Reserves in the Netherlands (<i>Vereniging Natuurmonumenten</i>)</li> <li>- Chairman of the Research Institute of Christian Democratic Appeal (CDA)</li> <li>- Chairman Project Administration Noord/Zuidlijn</li> <li>- Chairman Board of Supervision Roosevelt Academy</li> <li>- Chairman Review Committee TI Pharma</li> <li>- Chairman Committee Toekomstbestendig Hoger Onderwijs Stelsel</li> <li>- Chairman Advisory Board Dutch Delta Academy</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2007
<i>Current term of appointment to the Supervisory Board</i>	June 2007 - June 2011

<b>Mr A.J.A.M. Vermeer (Antoon)</b>	
<i>Date of Birth</i>	21 October 1949
<i>Profession</i>	Professional director
<i>Main positions</i>	- Member of a dairy farming partnership ( <i>maatschap melkveehouderijbedrijf</i> )
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Vice-Chairman of the Supervisory Board of Rabobank Nederland</li> <li>- Chairman of the Supervisory Board of VION N.V.</li> <li>- Member of the Supervisory Board of Eureko B.V.</li> </ul>
	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Chairman of the Agricultural Innovation Agency (<i>Landbouwinnovatiebureau, LIB</i>) for the Province of North Brabant</li> <li>- Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University</li> <li>- Chairman of the Board of Supervision of HAS Den Bosch</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2002
<i>Current term of appointment to the Supervisory Board</i>	June 2007 - June 2010

<b>Mr A.H.C.M. Walravens (Arnold)</b>	
<i>Date of Birth</i>	4 May 1940
<i>Profession</i>	Advisor
<i>Main position</i>	Chairman of the Supervisory Board of Eureko B.V.
<i>Nationality</i>	Dutch
<i>Auxiliary positions</i>	<u>Supervisory Directorships:</u> <ul style="list-style-type: none"> <li>- Member of the Supervisory Board of Rabobank Nederland</li> <li>- Chairman of the Supervisory Board of Achmea Re Luxemburg</li> <li>- Member of the Supervisory Board of OWM Molest-risico W.A.</li> <li>- Chairman of the Supervisory Board of Sneep Industries B.V.</li> </ul>

	<u>Other auxiliary positions:</u> <ul style="list-style-type: none"> <li>- Vice-Chairman of the Board of Vereniging Achmea</li> <li>- Chairman of the Board of MBA Studies, IEDC, Bled School of Management Slovenia</li> <li>- Member of the Senate of the International Executive Development Center, Slovenia</li> <li>- Director/owner 'Aan de Oude Delft', Art and Auction Services</li> </ul>
<i>Date of first appointment to the Supervisory Board</i>	June 2004
<i>Current term of appointment to the Supervisory Board</i>	June 2007 - June 2011

### **Executive Board of Rabobank Nederland**

Name	Born	Year Appointed	Nationality
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
Gerlinde (A.G.) Silvis	1959	2009	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 Rabobank Group, Mr. Moerland serves as a member of the Board of Directors of Rabobank Foundation. Outside Rabobank, Mr. Moerland serves as a member of the Supervisory Board of Essent N.V. (electricity), member of the Advisory Board of the Dutch Order of Accountants and Administration Consultants, member of the Board of Directors of the NVB (Association of Dutch Banks), chairman of the European Association of Co-operative Banks (Groupement) and Member of the Board of Directors International Raiffeisen Union (IRU).

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Global Risk Management, Treasury Rabobank Group and Special Administration Rabobank. Mr. Bruggink joined Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of Finance and Control Rabobank International (1994-1998) and Group Finance Director Rabobank Group (1998-2004). As CFO he fulfils several additional functions. He also works as a part-time professor in the Twente University of Technology (Financial Institutions and Markets). He is a member of the Advisory Council of Isala Klinieken, member of the Board of Supervisory Directors ROVA and member of the Supervisory Board of the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden (FMO). He is a member of the Dutch Banking Association Policy Committee of



Supervision & Monetary Affairs and a member of the Policy Committee of the DNB/Dutch Banking Association Mixed Working Group. Mr. Bruggink serves as chairman of the Board of Rabobank Ledencertificaten N.V.

Berry (B.J.) Marttin: Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mr. Marttin joined Rabobank in 1990. Within the Executive Board, Mr. Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than 14 years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale and retail banking. After fulfilling a number of positions in Brazil, Mr. Marttin was appointed food & 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. Mr. Marttin serves as chairman of the Foundation Supervision Internal Market Rabo Extra Member Notes (*Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties*).

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as per 1 July 2006. Mr. Schat is responsible for the international wholesale business and is 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. 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 Rabo Vastgoedgroep and member of the Supervisory Board of Bank Sarasin & Cie AG.

Piet (P. J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. Mr. van Schijndel is responsible for the Retail, Private Banking and Group ICT directorates. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, 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, Rabohypotheekbank and Robeco and Chairman of the Supervisory Board of De Lage Landen. Furthermore, Mr. van Schijndel is a member of the Board of Directors of the NVB (Association of Dutch Banks), a member of the Board of the Nederlandse Rode Kruis, and a member of the Supervisory Board of St. Elisabeth Ziekenhuis Tilburg. He is also Chairman of the Supervisory Board of Orbay. Mr. van Schijndel serves as chairman of the Stichting Administratiekantoor Rabobank Ledencertificaten.

Gerlinde (A.G.) Silvis: Mrs. Silvis was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mrs. Silvis is responsible for the Small- and Medium-Sized Enterprises, Company Management, Co-operative & 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. Mrs. Silvis serves as chairman of the board of the Foundation Contingency Fund Rabobanken (*Stichting Garantiefonds Rabobanken*) and Chairman of the Board of the Foundation Supervision Internal Market Rabobank Member Certificates (*Stichting Toezicht Interne Markt Rabobank Ledencertificaten*).

#### **Administrative, management and supervisory bodies conflicts of interests**

The Issuer is not aware of any potential conflicts of interest between the duties to 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 RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union (“EU”) directives which have a significant impact on the regulation of 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 Rabobank Group does business.

### Basel standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the “**Basel Committee**”) develops international capital adequacy guidelines based on the relationship between a bank’s capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “**Basel guidelines**”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce an existing source of competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on 1 January 1991 the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. A new accord (“**Basel II**” - the previous Basel guidelines being referred to as “**Basel I**”) was published in June 2004. Basel II is a flexible framework that is more closely in line with internal risk control and that results in a more sophisticated credit risk weighting. The Basel II framework, consisting of three “pillars”, reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital (“**Pillar 1**”) and for supervisors to review such assessments to ensure banks have adequate capital to support their risks (“**Pillar 2**”). It also seeks to strengthen market discipline by enhancing transparency in banks’ financial reporting (“**Pillar 3**”).

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank’s actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks’ internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgement and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks’ public reporting.

Instead of the previous “one size fits all” approach, under Basel II banks have the option 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 of selecting approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the “Standardised Approach”, the “Foundation Internal Ratings Based Approach” and the “Advanced Internal Ratings Based Approach”. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to

use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Probability of Default”. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Exposure at Default” and the “Loss Given Default”. Rabobank Group has chosen the most sophisticated approach, the “Advanced Internal Ratings Based Approach”.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the Advanced Measurement Approach. Rabobank Group has chosen the “Advanced Measurement Approach”.

### European Union standards

The European 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 17 April 1989 on the “own funds” of credit institutions (the “**Own Funds Directive**”), defining qualifying capital (“**own funds**”), and the Council Directive of 18 December 1989 on a capital base ratio for credit institutions (the “**Capital Base Ratio Directive**” and, together with the Own Funds Directive, the “**Capital Directives**”), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required 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 15 March 1995 on the capital adequacy of investment firms and credit institutions (“**EEC Directive 1993/6**”) and in 2000 the Directive of 20 March 2000 on the taking up and pursuit of the Business of Credit Institutions (“**EC Directive 2000/12**”), which directive consolidated various previous directives, including the Capital Directives.

EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49, respectively, 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 1 January 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 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 other 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 per cent. of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Financial Supervision Act, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under “Basel standards” above and as laid down in EU directives described above under “European Union standards”. For credit risk Rabobank uses the Advanced Internal Ratings Based Approach. For operational risk, Rabobank uses the most refined approach, the Advanced Measurement Approach.

### ***Liquidity supervision***

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against “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 constituting the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code; (ii) acquiring or increasing a qualified holding in a regulated institution such as a bank or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase amounts to more than 1 per cent. of the bank’s consolidated balance sheet total; (iii) acquiring or increasing a “qualified holding” in 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 per cent. 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 per cent. of the bank’s consolidated balance sheet total; (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank’s consolidated balance sheet total; or (vi) proceeding to financial or corporate reorganisation. For the purposes of the Financial Supervision Act, “qualified holding” is defined to mean the holding, directly or indirectly, of an interest of at least 10 per cent. of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a 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 RABOBANK GROUP

The following table sets forth in summary form 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 31 December		
	2008	2007 (restated)	2007
	<i>(in millions of euro)</i>		
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
<b>Total equity</b> .....	<b>33,459</b>	<b>31,409</b>	<b>31,375</b>
Subordinated debt .....	2,159	2,294	2,294
Debt securities in issue <sup>(1)</sup> .....	135,779	141,812	141,812
<b>Total capitalisation</b> .....	<b>171,397<sup>(2)</sup></b>	<b>175,515</b>	<b>175,481</b>
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
<b>Total reserves and retained earnings</b> .....	<b>20,074</b>	<b>19,684</b>	<b>19,650</b>

Notes:

- (1) Debt securities in issue includes short-term debt and long-term debt. At 31 December 2008 and at 31 December 2007, 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, Rabobank Group had long-term debt amounting to € 80,394 million and € 83,372 million respectively.
- (2) The total capitalisation of 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 Rabobank Group since 31 December 2008.



## TAXATION

### General

The following summary describes the principal Dutch, Belgian, Luxembourg and U.S. tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Dutch, Belgian, Luxembourg and U.S. tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Dutch, Belgian, Luxembourg and U.S. taxes set forth below is included for general information purposes only.

This summary is based on the Dutch, Belgian, Luxembourg and U.S. tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Dutch tax consequences for:

- (i) Noteholders holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such holder, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (a) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (b) rights to acquire, directly or indirectly, such interest or (c) certain profit sharing rights in the Issuer.
- (ii) Pension funds or other entities that are exempt from Dutch corporate income tax.
- (iii) Investment institutions as defined in Dutch tax law ("*fiscale beleggingsinstellingen*" or "*vrijgestelde beleggingsinstellingen*").

### 1. The Netherlands

#### 1.1 Withholding Tax

All payments in respect of the Notes can be made without withholding or deduction for or on account of any taxes, duties or charges of any nature imposed whatsoever that are or may be withheld or assessed by the Netherlands Tax Authorities or any political subdivision thereof or therein.

#### 1.2 Corporate Income Tax and Individual Income Tax

A corporate Noteholder, that derives income from a Note or that realises a gain on a disposal, deemed disposal, exchange or redemption of the Note, will not be subject to any Netherlands taxes on such income or capital gains, unless:

- (i) the Noteholder is, or is deemed to be a resident of the Netherlands; or
- (ii) the Noteholder has (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 enterprise or part of an enterprise the Note is attributable.

An individual Noteholder, who derives or is deemed to derive income from a Note or who realizes a gain on the disposal, deemed disposal, exchange or redemption of the Note, will not be subject to any

Netherlands taxes on such income or capital gains, unless the conditions as mentioned under (i) or (ii) above are met, or unless:

- (i) the individual Noteholder has elected to be taxed as a resident of the Netherlands; or
- (ii) the individual Noteholder is entitled to a share in the profits of an enterprise that has its place of management in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Note is attributable; or
- (iii) such income or gain “results from other activities performed in the Netherlands” (“*resultaat uit overige werkzaamheden*”) as defined in the Personal Income Tax Act 2001 (*Wet Inkomstenbelasting 2001*).

### **1.3 Gift and Inheritance Taxes**

No gift, estate or inheritance taxes will arise in the Netherlands in respect of the transfer or deemed transfer of a Note by way of a gift by, or on the death of, a Noteholder who is not a resident or deemed resident of the Netherlands, provided that:

- (i) such Note is not attributable to an enterprise, owned by the donor or the deceased or in which the donor or the deceased has, at the time of the gift, or had, at the time of his death an interest and that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands; and
- (ii) such Note is not attributable to an enterprise that has its place of management in the Netherlands in which the donor or deceased is or was entitled to share in the profits, other than by way of securities or through an employment contract; and
- (iii) in the case of a gift of such Note by an individual holder who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual holder does not die within 180 days after the date of the gift while being resident or deemed to be resident in the Netherlands.

### **1.4 Other Taxes and Duties**

There will be no registration tax, capital tax, transfer tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer and/or delivery of the Notes or the execution, delivery and/or enforcement by legal proceedings of the relevant documents or the performance of the Issuer’s obligations thereunder and under the Notes.

No value added tax will be due in the Netherlands in respect of payments in consideration of the issue of the Notes, and/or in respect of payments of interest and principal on a Note, and/or in respect of the transfer of a Note, and/or in connection with the documents or in connection with the arrangements contemplated thereby, other than value added tax on the fees attributable to services which are not expressly exempt from value added tax, such as management, administrative, notarial and similar activities, safekeeping of the Notes and the handling and verifying of documents.

## **2. Belgium**

*The following summary describes the principal Belgian tax considerations with respect to the holding of Notes. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or*

*to dispose of the Notes. In some cases, different rules can be applicable. This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.*

*Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.*

## **2.1 Withholding Tax and Income Tax**

### ***Individuals resident in Belgium***

Individuals who are Belgium-residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (“*Personenbelasting*” / “*Impôt des personnes physiques*”) and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgium-resident individuals holding the Notes not as a private investment but in the framework of their professional activity or when their transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

Under Belgian tax law, “interest” income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as “fixed income securities” (within the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Notes between two interest payment dates, the interest accrued during the detention period. In general, notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the notes during their lifetime.

Payments of interest on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgium-resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium, i.e. without the intervention of a financial intermediary established in Belgium, the interest received on the Notes (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return of the holder of Notes and will be taxed at a flat rate of 15 per cent. plus communal surcharges.

Capital gains realised upon the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

### ***Belgium-resident corporations***

Corporations that are Belgium-residents for tax purposes, i.e. corporations subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the ordinary rate of 33.99 per cent. Capital losses on the Notes are in principle tax deductible.

Payments of interest (as defined in the section “**Individuals resident in Belgium**”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, interest payments made to a Belgian corporation may qualify for an exemption from withholding tax if a certificate is delivered (articles 108 and 117, § 12 Royal Decree implementing the Belgian Income tax Code). The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

### ***Other Belgian legal entities***

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (“*Rechtspersonenbelasting*” / “*impôt des personnes morales*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section “**Individuals resident in Belgium**”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e. without the intervention of a financial intermediary in Belgium, the legal entity itself is liable for the payment of the Belgian 15 per cent. withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined in the section “**Individuals resident in Belgium**”). Capital losses on the Notes are in principle not tax deductible.

### ***Organisation for Financing Pensions***

Belgian pension fund entities that have the form of an Organisation for Financing Pensions (“**OFP**”) are subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”). OFP are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of OFP. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

### ***Belgian non-residents***

The interest income on the Notes paid to a Belgian non-resident outside Belgium, i.e. without the intervention of a Belgian establishment of a financial intermediary, is not subject to Belgian withholding tax.

Interest income on the Notes paid through a Belgian intermediary will in principle be subject to a 15 per cent. Belgian withholding tax, unless the Note holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

An exemption from Belgian withholding tax is available under Belgian domestic provisions in case of payment of interest on the Notes through an intermediary established in Belgium, provided that such intermediary qualifies as a recognised credit institution, stock exchange company or clearing or

settlement institution and pays the interest to certain qualifying institutions, financial intermediaries, clearing and settlement institutions or portfolio management companies established outside of Belgium, referred to in article 261, para. 4 Belgian Income Tax Code.

A second exemption available under Belgian domestic provisions applies in case of payment of interest on the Notes through an intermediary established in Belgium, provided that such intermediary qualifies as a recognised credit institution, exchange company or clearing or settlement institution and pays the interest to non-qualifying intermediaries, on the condition that such non-qualifying intermediary certifies that the beneficial owners (i) are non-residents for Belgian income tax purposes, (ii) have not held the Notes as part of a taxable business activity in Belgium, and (iii) are the legal owners, or hold the usufruct of the Notes (art 264bis Belgian Income Tax Code).

A third exemption available under Belgian domestic provisions applies in case of payment of interest on the Notes through an intermediary established in Belgium, provided that such intermediary qualifies as a recognised credit institution, exchange company or clearing or settlement institution and pays the interest to non-resident beneficial owners directly, on the condition that such non-resident beneficial owner certifies that he or she (i) is a non-resident for Belgian income tax purposes, (ii) has not held the Notes as part of a taxable business activity in Belgium, and (iii) is the legal owner or usufruct of the Notes (art 230,2°, b Belgian Income Tax Code).

Non-resident Noteholders using the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above). Non-resident Note holders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

### ***Tax on stock exchange transactions***

A stock exchange tax (“*Taxe sur les opérations de bourse*”/“*Taks op de beursverrichtingen*”) will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent., with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1 of the Code of various duties and taxes (“*Code des droits et taxes divers*” / “*Wetboek diverse rechten en taksen*”).

## **2.2 EU Savings Directive (Belgium)**

Under the EC Council Directive 2003/48/EC on the taxation of savings income, each EC Member State is required, from 1 July 2005, to provide to the tax authorities of another EC Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other EC Member State (the “**Disclosure of Information Method**”); however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding tax system in relation to such payments, deducting tax at rates rising over time to 35 per cent. (the “**Source Tax**”). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

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

In Belgium, the transitional period will end on 1 January 2010. This means that interest paid on the Notes as from that date and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Interest paid on the Notes before 1 January 2010 and falling under the scope of application of the Savings Directive remain subject to the following regime.

#### ***Individuals not resident in Belgium***

A Belgian paying agent will withhold a Source Tax at the current rate of 20 per cent. on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EC Member State or resident in the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat or the British Virgin Islands. The Source Tax is levied pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or, where there is none, the identification of the security.

#### ***Individuals resident in Belgium***

An individual resident in Belgium will be subject to the provisions of the Savings Directive if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EC Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excess amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

### **3. Luxembourg**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult*

*their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### **3.1 Withholding Tax – Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the “**Laws**”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (herein referred to as the Savings Directive) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (the “**Territories**”), payments of interest or other similar income made or ascribed by a paying agent established in Luxembourg (within the meaning of the Savings Directive) to (or under certain circumstances, for the immediate benefit of) an individual beneficial owner in another EC Member State or in one of the Territories will be subject to a withholding tax, unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his or her country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his or her country of residence in the required format to the relevant paying agent. The same treatment will apply to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Savings Directive established in an EC Member State or in one of the Territories (i.e. entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).

Where withholding tax is applied, it will be levied at a rate of 20 per cent., increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

### **3.2 Withholding Tax – Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended by the law of 17 July 2008 mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Payments of interest or similar income made or ascribed by a paying agent established in Luxembourg (defined in the same way as in the Savings Directive) to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime) will be subject to a withholding tax of 10 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EC Member State other than Luxembourg, a member state of the European Economic Area other than an EC Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth.

#### **4. United States Federal Income Taxation**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note, as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own (directly or indirectly) 10 per cent. or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons has the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships



should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary assumes that the Issuer is not a passive foreign investment company (a “**PFIC**”) for U.S. federal income tax purposes, which the Issuer believes to be the case. The Issuer believes that it currently meets certain requirements regarding its licensing and activities which allow a bank to treat income from its banking business as non-passive income for purposes of determining its PFIC status. However, the Issuer’s possible status as a PFIC must be determined annually and therefore may be subject to change. If the Issuer were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the Netherlands (the “**Treaty**”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

#### **4.1 U.S. Federal Income Tax Characterisation of the Notes**

The characterization of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to these Notes.

Depending on the terms of a particular Series or Tranche of Notes, the Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts, or some other type of financial instrument. Alternatively, the Notes may be characterised as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Issuer. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Final Terms.

No rulings will be sought from the U.S. Internal Revenue Service (“**IRS**”) regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes and consequences to the holder of acquiring, owning or disposing of the Notes.

## 4.2 U.S. Federal Income Tax Treatment of Notes Treated as Debt

The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

### Payments of Interest

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— **Original Issue Discount — General**”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “— **Original Issue Discount**”) generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

### Original Issue Discount

#### *General*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“**OID**”).

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**installment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “— **Variable Interest Rate Notes**”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with

respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

### ***Acquisition Premium***

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “**acquisition premium**”) and that does not make the election described below under “— Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

### ***Short-Term Notes***

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder’s purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

### ***Fungible Issue***

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

### ***Market Discount***

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “**Market Discount Note**”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an installment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes a “*de minimis* market discount”. For this purpose, the “revised issue price” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder’s income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

### ***Variable Interest Rate Notes***

Notes that provide for interest at variable rates (“**Variable Interest Rate Notes**”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and

(c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “**qualified floating rate**” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “**objective rate**” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “**qualified inverse floating rate**” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e. at a price below the Note’s stated

principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See “— Contingent Payment Debt Instruments” below for a discussion of the U.S. federal income tax treatment of such Notes.

### ***Notes Purchased at a Premium***

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for

U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “— Election to Treat All Interest as Original Issue Discount”.

### ***Election to Treat All Interest as Original Issue Discount***

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “— General,” with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described above under “— **Notes Purchased at a Premium**”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “— Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### **Contingent Payment Debt Instruments**

Certain Series or Tranches of Notes may be treated as “contingent payment debt instruments” for U.S. federal income tax purposes (“**Contingent Notes**”). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID, and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the “**comparable yield**”), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the Issuer by submitting a written request for such information to Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer’s determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under “— Original Issue Discount – General”, above, applied to the projected payment schedule. The “adjusted issue price” of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder’s total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder’s amount realized on the sale, exchange or retirement.

### **Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder’s tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

### **Purchase, Sale and Retirement of Notes**

#### ***Notes other than Contingent Notes***

A U.S. Holder’s tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “— Original Issue Discount — Market Discount” or “— Original Issue Discount — Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.



### ***Contingent Notes***

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

### **Foreign Currency Notes**

#### ***Interest***

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

## ***OID***

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

## ***Market Discount***

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

## ***Bond Premium***

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

## ***Foreign Currency Contingent Note***

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "— Contingent Payment Debt Instruments". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted

issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under “— Interest”. Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

### ***Sale or Retirement***

#### *Notes other than Foreign Currency Contingent Notes*

As discussed above under “— Purchase, Sale and Retirement of Notes”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder’s tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

#### *Foreign Currency Contingent Notes*

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder’s tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder’s tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue

date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (x) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (y) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realized by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realized will be determined by separating such amount realized into principal and one or more OID components, based on the principal and OID composing the U.S. Holder's basis, with the amount realized allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realized will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realized over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realized by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

### ***Disposition of Foreign Currency***

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

### 4.3 U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes. The relevant Final Terms will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the relevant Final Terms.

#### **Equity Notes**

Certain Notes may be treated as equity in the Issuer for U.S. federal income tax purposes. The following discussion will apply to Notes that are characterised as equity of the Issuer (“**Equity Notes**”).

#### ***Distributions on Equity Notes***

##### *General*

Distributions paid by the Issuer with respect to Equity Notes out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the Equity Notes and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Equity Notes will constitute ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

For taxable years that begin before 2011, dividends paid by the Issuer will generally be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty, which the Issuer believes to be the case. A U.S. Holder will be eligible for this reduced rate only if it has held the Equity Notes for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

##### *Foreign Currency Dividends*

Dividends paid in a foreign currency will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars at that time. If dividends received in a foreign currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

#### ***Sale or other Disposition of Equity Notes***

Upon a sale or other disposition of Equity Notes, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder’s adjusted tax basis in the Equity Notes. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period in the Equity Notes exceeds one year. However, regardless of a U.S. Holder’s actual holding period, any loss may be long-term capital loss to the extent the U.S. Holder receives a dividend that qualifies for

the reduced rate described above under “— Distributions on Equity Notes — General”, and exceeds 10 per cent. of the U.S. Holder’s basis in its Equity Notes. Any gain or loss will generally be U.S. source.

A U.S. Holder’s tax basis in an Equity Note will generally be its U.S. dollar cost. The U.S. dollar cost of a Share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Equity Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

The amount realised on a sale or other disposition of Equity Notes for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Equity Notes traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

### ***Disposition of Foreign Currency***

Foreign currency received on the sale or other disposition of an Equity Note will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Equity Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

## **Forward Notes**

### ***General***

A Note that provides for a payment in redemption at maturity that is based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and does not provide for a current coupon, may be identified as a “Forward Note” by the Issuer in the relevant Final Terms or any prospectus or series prospectus. A U.S. Holder of a Forward Note would generally be subject to the U.S. federal income tax consequences discussed below.

Legislation was recently proposed in the U.S. House of Representatives that would require a holder of an instrument such as a Forward Note to accrue interest income on a current basis in certain circumstances. In addition, the IRS and the U.S. Department of Treasury have recently announced that they are considering whether the holder of an instrument such as a Forward Note should be required to accrue ordinary income on a current basis. It is not possible to predict the final form of any legislative or regulatory changes that might affect holders of instruments such as the Forward Notes, but it is possible that any such changes could be applied retroactively. The IRS and U.S. Department of Treasury are also considering other relevant issues, including whether gain or loss from these instruments should be treated as ordinary or capital, whether foreign holders of these instruments should be subject to withholding tax on any deemed income accruals, and whether the special constructive ownership rules of Section 1260 of the Code might be applied to these instruments. Holders are urged to consult their tax advisers concerning the potential impact of these proposals. The

Issuers intend to treat the Forward Notes as described below, unless and until the Issuers determine, based on future developments, that a different treatment is appropriate.

### ***Characterisation***

A Forward Note should constitute a prepaid forward contract for U.S. federal income tax purposes. Under current law, U.S. Holders should not be required to recognise income or loss upon the acquisition of a Note, and U.S. Holders should not be required to accrue income with respect to a Note over the life of the Note.

### ***Purchase, Sale and Retirement***

A U.S. Holder will recognise gain or loss on the sale or retirement for cash of a Forward Note equal to the difference between the amount of cash received upon sale or retirement and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Forward Note will generally be the Note's U.S. dollar cost. The U.S. dollar cost of a Forward Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase increased by the nominal exercise price, if any, paid by the U.S. Holder. Except as provided under "— Constructive Ownership Transactions" below, any gain or loss recognised on the sale or retirement of a Forward Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Note exceeds one year.

Upon a retirement of a Forward Note by physical delivery of the Reference Items, a U.S. Holder will not be required to recognise gain or loss at that time. A U.S. Holder will have a basis in the Reference Items equal to the U.S. Holder's basis in the Forward Note. A U.S. Holder's holding period in the Reference Items will not include the U.S. Holder's holding period in the Forward Notes.

### ***Constructive Ownership Transactions***

To the extent that a Forward Note is treated as a "constructive ownership transaction," any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Note was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Forward Note was held so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Note is sold or redeemed.

A Note could be treated in whole or in part as a constructive ownership transaction if the issuer of a Reference Item and, if the Reference Item is an index, possibly the issuer of any security included in that index is treated for U.S. federal income tax purposes as, among others, a PFIC, a partnership, a trust, or a common trust fund.

The Issuer does not intend to determine whether the issuers of any Reference Item in fact fall in any of these categories. Prospective purchasers should consult their tax advisers regarding the status of the Reference Items and the application of the constructive ownership transaction rules to ownership of the Note.

### ***Option Notes***

A Note that provides for a payment in redemption at maturity that may under certain circumstances be based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and also provides for a current coupon, may be identified as an

“Option Note” by the Issuer. The discussion below describes the U.S. federal income tax consequences to a U.S. Holder of holding Option Notes.

The treatment of Option Notes for U.S. federal income tax purposes is highly uncertain. It would be reasonable to treat the purchase of an Option Note by a U.S. Holder as a grant by the U.S. Holder to the Issuer of an option contract (the “**Put Option**”), pursuant to which the U.S. Holder may be required to purchase from the Issuer one or more of the Reference Items (or an amount equal to the value of the Reference Items in the case of a cash settled Option Note), and under which option (a) at the time of the issuance of the Option Note the U.S. Holder deposits irrevocably with the Issuer a fixed amount of cash to assure the fulfilment of the holder’s purchase obligation described below (the “**Deposit**”), (b) until maturity the Issuer will be obligated to pay interest to the U.S. Holder, as compensation for the use of the cash Deposit during the term of the Option Note, (c) the Issuer will be obligated to pay an option premium to the holder in consideration for granting the option (the “**Put Premium**”), which premium will be payable as part of the coupon payments, (d) if pursuant to the terms of the Option Notes at maturity the holder is obligated to purchase the Reference Item(s), then the Deposit will be applied by the Issuer in full satisfaction of the holder’s purchase obligation under the Put Option, and the Issuer will deliver to the holder the number of Reference Items that the holder is entitled to receive at that time pursuant to the terms of the Notes (or, if the Option Notes are cash settled, a cash amount equal to the value of the Reference items), and (e) if pursuant to the terms of the Option Notes the holder is not obligated to purchase the Reference Items at maturity, the Issuer will return the cash Deposit to the U.S. Holder at maturity. The discussion below assumes that an Option Note is so treated, except as explicitly provided.

Amounts paid to the Issuer in respect of the original issue of the Option Notes will be treated as allocable in their entirety to the amount of the cash Deposit attributable to such Notes. A portion of the coupon on the Notes (which coupon may be denominated entirely as stated interest) will be characterised as interest payable on the amount of such Deposit, includible in the income of a U.S. Holder as interest in the manner described below. A portion of the coupon will be characterised as Put Premium, includible in the income of a U.S. Holder in the manner described below. There is no assurance that the IRS will agree with this treatment, and alternative treatments of the Option Notes could result in less favourable U.S. federal income tax consequences to a holder, including a requirement to accrue income with respect to the Put Option on a current basis.

### ***Interest Payments***

Interest payments on the Deposit will generally be included in the income of a U.S. Holder as interest at the time that such interest is accrued or received in accordance with such U.S. Holder’s method of accounting. If the Option Notes are issued at a discount or have a term of one year or less, U.S. Holders will be subject to the rules discussed above under “— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Original Issue Discount” with respect to interest or OID payable on the Deposit. Interest paid by the Issuer and OID, if any, accrued with respect to the Option Notes, generally constitute income from sources outside the United States.

### ***Payments of Put Premium***

Payments of the Put Premium will not be included in the income of a U.S. Holder until sale or other taxable disposition of Option Notes or retirement of Option Notes for cash; if the Option Note is settled by delivery of Reference Items, the payments of Put Premium will instead be incorporated into the U.S. Holder’s basis in such Reference Items. Upon the sale or other taxable disposition of Option Notes or at maturity, as the case may be, the Put Premium payment will be treated in the manner described below.



### ***Retirement of an Option Note for Cash***

If the Put Option is deemed not to have been exercised at maturity, the cash payment of the full principal amount of the Option Note at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (which would likely not result in the recognition of gain or loss to an initial purchaser) and (ii) the lapse of the Put Option, which would likely result in a U.S. Holder's recognition of short-term capital gain in an amount equal to the Put Premium paid to the Holder.

If the Put Option is deemed to be exercised at maturity and is cash settled, the payment at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option. The exercise of the Put Option would result in short-term capital gain or loss to the U.S. Holder in an amount equal to the difference between (i) the sum of the cash received at maturity (other than amounts attributable to accrued but unpaid interest) and all previous payments of Put Premium, and (ii) the holder's adjusted basis in the Deposit, as determined under "— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Purchase, Sale and Retirement of Notes".

### ***Other Retirement of an Option Note***

Delivery at maturity of Reference Items would likely be treated as (i) payment in full of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option and the U.S. Holder's purchase of the Reference Items for an amount equal to the principal amount of the Option Note. The U.S. Holder will have a tax basis in the Reference Items equal to the principal amount of the Option Notes less an amount equal to the aggregate amount of the Put Premium payments and less the portion of the tax basis of the Option Notes allocable to any fractional Reference Item, as described in the next sentence. A U.S. Holder will recognise gain or loss (which will be treated as short-term capital gain or loss) with respect to cash received in lieu of fractional Reference Items, in an amount equal to the difference between the cash received and the portion of the basis of the Option Notes allocable to fractional Reference Items (based on the relative value of fractional Reference Items and full Reference Items delivered to the U.S. Holder). A U.S. Holder's holding period in the Reference Items received will not include the U.S. Holder's holding period in the Option Notes.

### ***Sale or Other Taxable Disposition of an Option Note Prior to Maturity***

Upon the sale or other taxable disposition of an Option Note, a U.S. Holder should allocate the amount received between the Deposit and the Put Option on the basis of their respective values on the date of sale or other disposition. The U.S. Holder should generally recognise gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit and the U.S. Holder's adjusted tax basis in the Deposit (which will generally equal the issue price of the Option Note for an initial purchaser (as may be adjusted for any accrued OID on the Deposit)). Except to the extent attributable to accrued but unpaid interest, which will be taxed as such, this gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Option Notes for more than one year. If the Put Option has a positive value on the date of a sale of the Option Note, the U.S. Holder should recognise short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the put option has a negative value on the date of sale, the U.S. Holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. Holder's rights and obligations under the Put Option. In such a case, the U.S. Holder should recognise short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. Holder with respect to the assumption of the Put Option.

### ***Foreign Currency Option Notes***

Option Notes denominated in, or determined by reference to, a foreign currency (“**Foreign Currency Option Notes**”) will be subject to special rules. Interest and OID denominated in, or determined by reference to, a foreign currency will generally be subject to the rules described in “— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Foreign Currency Notes” above.

The treatment upon the sale, retirement or disposition of the Deposit, as described above, should also be governed by the rules described under “— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Foreign Currency Notes” above, regardless of whether the Option Note is cash settled. A U.S. Holder will have a tax basis in any Reference Items received in an amount equal to the excess of the purchase price of the Option Note, translated into U.S. dollars at the exchange rate in effect on the date of retirement, over the total premium payments received, with each premium likely translated into U.S. dollars at the exchange rate in effect on the date that it is received. U.S. Holders should consult their tax advisers about the proper method for translating foreign currency with respect to an Option Note into U.S. dollars.

### ***Possible Alternative Characterisations***

Due to the absence of authority as to the proper characterisation of the Option Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the characterisation and tax treatment described above. It is possible, for example, that the IRS could maintain that amounts denominated as Put Premium (i) should be includible in the U.S. Holder’s income as interest in the manner described above regarding the interest payment, or (ii) should be included in a U.S. Holder’s income even in a case where the Option Note is retired for Reference Items. Such treatment might arise, for example, if the IRS were successfully to maintain that amounts denominated as Put Premium (i) should be characterised for federal income tax purposes as interest, or (ii) should be treated as a return on the U.S. Holder’s investment in the Option Notes that constitutes income. Alternatively, the IRS could maintain that the Option Notes should be treated as contingent payment debt obligations, in which case the U.S. Holder would be treated as owning Contingent Notes (or Foreign Currency Contingent Notes), subject to the treatment discussed above under “— U.S. Federal Income Tax Treatment of Notes Treated as Debt”.

## **4.4 Backup Withholding and Information Reporting**

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

## **4.5 Reportable Transactions**

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$ 50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a reportable transaction for purposes of these rules, a

U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$ 10,000 in the case of a natural person and U.S.\$ 50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realizes a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

## **5. EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each EC Member State is required, from 1 July 2005, to provide to the tax authorities of another EC Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EC Member State. However for a transitional period, 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.

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

However, investors should note that the European Commission announced proposals to amend the Savings Directive. If implemented, the proposed amendments would, *inter alia*, extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in an EC Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

## ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to ERISA and on entities, such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (all of which are hereinafter referred to as ERISA Plans), and on persons who are fiduciaries (as defined in Section 3(21) of ERISA) with respect to such ERISA Plans. The Code also imposes certain requirements on ERISA Plans and on other retirement plans and arrangements, including individual retirement accounts and Keogh plans (such ERISA Plans and other “Plans” as defined in Section 4975 of the Code are hereinafter referred to as “**Plans**”). Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of ERISA or the Code but may be subject to similar rules under other applicable laws or documents. Accordingly, assets of such plans may be invested in the Notes without regard to the prohibited transaction considerations under ERISA and the Code described below, subject to the provisions of other applicable federal, state or non-U.S. law (“**Similar Law**”).

Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification, requirements respecting delegation of investment authority and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. Each ERISA Plan fiduciary, before deciding to invest in the Notes, must be satisfied that investment in the Notes is a prudent investment for the ERISA Plan, that the investments of the ERISA Plan, including the investment in the Notes, are diversified so as to minimise the risk of large losses and that an investment in the Notes complies with the ERISA Plan and related trust documents.

Section 406 of ERISA and/or Section 4975 of the Code prohibits Plans from engaging in certain transactions with persons that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such Plans (collectively, “**Parties in Interest**”). The types of transactions between Plans and Parties in Interest that are prohibited include: (a) sales, exchanges or leases of property, (b) loans or other extensions of credit and (c) the furnishing of goods and services. Certain Parties in Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realised by the Plan or profits realised by such persons and certain other liabilities could result that have a significant adverse effect on such persons. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA (relating to certain transactions between a plan and a non-fiduciary service provider), Prohibited Transaction Class Exemption (“**PTCE**”) 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “**qualified professional asset manager**”), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Under a “look-through rule” set forth in regulations issued by the U.S. Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (“**Plan Assets Regulation**”), if a Plan invests in an “equity interest” of an entity that is neither a “publicly-offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation in the entity by “benefit plan investors” is not “significant”. The Plan Assets Regulation defines equity participation in an entity by “benefit plan investors” as “significant” if 25 per cent. or more of the value of any class of equity interest in the entity is held by

“benefit plan investors”. “**Benefit Plan Investors**” include any (i) employee benefit plan as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, (ii) plan described in Section 4975 of the Code, that is subject to Section 4975 of the Code, including without limitation, an individual retirement account or Keogh plan or (iii) entity whose underlying assets include assets of a plan described in (i) or (ii) by reason of a plan’s investment in such entity, including but not limited to, as applicable, an insurance company general account, an insurance company separate account or a collective investment fund.

If the assets of the Issuer were deemed to be plan assets of a Plan, the Issuer would be subject to certain fiduciary obligations under ERISA and certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or Section 4975 of the Code and might have to be rescinded.

Under the Plan Asset Regulations, an “**operating company**” is defined as “an entity that is primarily engaged, directly or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital”. The Issuer is an “operating company” for purposes of the Plan Asset Regulations, although no assurance can be given in this regard. As such, Benefit Plan Investors may purchase Notes and the underlying assets of the issuer will not be deemed a plan asset.

Nevertheless, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes are acquired by a Benefit Plan Investor with respect to which the Issuer is a Party in Interest. Accordingly, each purchaser and subsequent transferee of any Note will be deemed by such purchase or acquisition of any Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires the Note through and including the date on which the purchaser or transferee disposes of such Note, that either (i) it is not, is not using the assets of and shall not at any time hold such Note for or on behalf of a Benefit Plan Investor or a governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such Note or of any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any applicable Similar Laws.

Any Plan fiduciary that proposes to cause a Plan to purchase any Notes or any interest therein, should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA. Similarly, fiduciaries of any governmental, church or non-U.S. plans should consult with their counsel before purchasing any of the Notes or any interest therein.

## TRANSFER RESTRICTIONS

### Rule 144A Notes

Each purchaser of Registered Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

- (1) It is (a) a qualified institutional buyer within the meaning of Rule 144A (a “**QIB**”), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (2) above, if then applicable.
- (4) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

- (5) The Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- (6) It understands that the Notes offered in reliance on Rule 144A will be represented by one or more Global Certificates.

- (7) Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such purchaser and those persons, if any, retained to advise such purchaser with respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.
- (8) (i) It is not, is not using the assets of and shall not at any time hold such Note for or on behalf of a Benefit Plan Investor or a governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such Note or of any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any applicable Similar Laws.

**Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

### **Regulation S Notes**

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS NOTE NOR ANY PORTION THEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”
- (4) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (5) It understands that the Notes offered in reliance on Regulation S will be represented by a Temporary Global Note and a Permanent Global Note.

## SUBSCRIPTION AND SALE

### Summary of the Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 22 December 2008 (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 Notes 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 Notes directly on its own behalf to Dealers that are not Initial Dealers. The Notes 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 Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes 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 Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

No sale of Registered Notes in the United States to any one purchaser will be for less than U.S.\$ 100,000 (or its foreign currency equivalent) principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$ 100,000 (or its foreign currency equivalent) of Registered Notes.

### Selling Restrictions

#### *Public Offer Selling Restriction under the Prospectus Directive*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes 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 Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes 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 Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43,000,000; and (3) an annual net turnover of more than € 50,000,000, as shown in its last (or, in Sweden, its last two) annual or consolidated accounts;



- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes 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 Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### ***Austria***

No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*) as amended. Each Dealer has acknowledged that neither this Offering Circular nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and, accordingly, each Dealer has represented and agreed that neither this Offering Circular nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Dealers. Each Dealer has acknowledged and agreed that no steps may be taken that would constitute a public offering of the Notes in Austria and the offering of the Notes may not be advertised in Austria. Each Dealer has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the Capital Markets Act and all other laws and regulations in Austria applicable to the offer and sale of the Notes in Austria.

### ***Finland***

This Offering Circular has been prepared for private information purposes of interested investors only. It may not be used for and shall not be deemed a public offering of the Notes. The Finnish Financial Supervisory Authority (*Finanssivalvonta*) has not authorised any offering of the subscription of the Notes. Accordingly, the Notes may not be offered or sold in Finland or to residents thereof except as permitted by Finnish Law. This Offering Circular is strictly for private use by its holder and may not be passed on to third parties.

### ***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 Notes to the public (*appel public à l'épargne*) in France in the period beginning 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, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular; or
- (b) with regard to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering

Circular, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### ***Republic of Italy***

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Financial Services Act**”), Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), CONSOB Regulation No. 16190 of 29 October 2007, all as amended;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- (c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Additional selling restrictions may be provided in the relevant Final Terms.

Any investor purchasing the Notes in this offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

### ***Spain***

The Offering Circular has been passported into Spain. Accordingly, each Dealer and the Issuer has represented and agreed that the Notes may only be offered in Spain in compliance with law 24/1988, as amended, Royal Decree 1310/2005 and any regulation issued thereunder.

### ***The Netherlands***

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*, the “SCA”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such securities if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

### ***United Kingdom***

Each Dealer has represented and agreed that:

- (a) in relation to any Notes 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 Notes 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 Notes 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 Notes 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 Notes in, from or otherwise involving the United Kingdom.

### ***United States***

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

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

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes 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 Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, unless in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it (other than a sale of Notes issued pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of an offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such tranche of Notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Programme Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers pursuant to Rule 144A.

Each purchaser of Registered Notes that have not been registered under the Securities Act is hereby notified that the offer and sale of such Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Each purchaser of Registered Notes pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that it is a qualified institutional buyer, that it is aware that the sale to it is being made in reliance on Rule 144A and that it is acquiring the Notes for its own account or for the account of a qualified institutional buyer. See “Transfer Restrictions”.

No sale of Registered Notes in the United States to any one purchaser will be for less than U.S.\$ 100,000 (or its foreign currency equivalent) principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$ 100,000 (or its foreign currency equivalent) of Registered Notes.

Each issuance of Credit Linked Notes, Equity Linked Notes, Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Final Terms. Each of the Dealer(s) agrees that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### ***China***

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

### ***Hong Kong***

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, 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 Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for

re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### ***Korea***

Each Dealer has represented and agreed that Notes have not been registered under the Securities Financial Investment Services and Exchange Capital Market Act of the Republic of Korea, as amended (the “FISCMA”) and that it will not offer, deliver or sell directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea or to any persons for re-offering or resale directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea except as otherwise permitted by applicable Korean laws pursuant to an exemption from the registration requirements of FISCMA available thereunder and in compliance with the Foreign Exchange Transaction Law and other relevant laws of the Republic of Korea.

Each Dealer has undertaken to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will not re-offer or re-sell any Securities directly or indirectly in the Republic of Korea or to any resident of the Republic of Korea, except as aforesaid.

### ***Macau***

Each Dealer has represented and agreed that the Notes may not 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 Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Notes in Macau. The Notes are not registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

### ***Singapore***

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

- (i) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (ii) where no consideration is given for the transfer; or
- (iii) where the transfer is by operation of law.

### ***Taiwan***

The Notes 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 Notes may only be made available for purchase outside of Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Notes.

### ***General***

Each Dealer has agreed 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 Notes 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 Notes 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 Notes 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 relevant Final Terms.

## GENERAL INFORMATION

1. Application has been made to Euronext Amsterdam for Notes 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. As of 1 July 2005 Rabo Securities N.V. has merged with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland).
3. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The update of the Programme was authorised pursuant to a resolution of the Issuer passed on 21 December 2009.
4. Except as disclosed under “Description of Business of Rabobank Group — Recent developments” on page 243 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.
5. Save as disclosed in “Description of Business of Rabobank Group — Legal proceedings”, neither the Issuer nor Rabobank Group, nor any of its members or subsidiaries is involved in any litigation or arbitration or other proceedings nor, so far as the Issuer is aware, is any such litigation or arbitration or other proceedings involving the Issuer or Rabobank Group pending or threatened.
6. Each Note, Receipt, Coupon and Talon for which TEFRA D is specified in the relevant Final Terms will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
7. The Notes have been accepted for clearance through the Euroclear and Clearstream systems. In addition, the Issuer will make an application with respect to any Series of Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of each Tranche of a Series of Registered Notes will be confirmed in the relevant Final Terms. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041. The address of any alternative clearing system will be specified in the relevant Final Terms.
8. 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) (which includes the form of the Global Notes, the Definitive Notes, and the Coupons, Talons and Receipts relating to Definitive Notes) and the Covenant (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 2006, 2007 and 2008 (together with the explanatory notes) and the auditor's report in respect of such financial statements;
  - (d) 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;
  - (e) the annual reports of Rabobank Group for the years ended 31 December 2006, 2007 and 2008;
  - (f) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2009 and the review report on the condensed consolidated interim financial information in respect thereof;
  - (g) a copy of the latest Offering Circular (together with any supplement including the Final Terms thereto); and
  - (h) a copy of the 2006 ISDA Definitions.
9. 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 Notes 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 Notes are outstanding. Rabobank Nederland does not publish non-consolidated interim accounts.
10. Ernst & Young Accountants LLP, of which the "Registeraccountants" are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified auditor reports on the financial statements of Rabobank Nederland for the years ended 31 December 2006, 2007 and 2008. Ernst & Young Accountants LLP has given its consent to the incorporation by reference in this Offering Circular to their auditor's reports regarding the above mentioned financial statements. Ernst & Young Accountants LLP has no interest in Rabobank Nederland.
- Ernst & Young Accountants LLP has given its consent to the inclusion in this Offering Circular of its review report on the condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2009 as incorporated by reference herein in the form and context in which it appears.
11. 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.
12. The Issuer is subject to corporate income tax.
13. The price and amount of Notes 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.
14. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes 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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