



Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (RABOBANK STRUCTURED PRODUCTS)

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

Certificates and Warrants Programme

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

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

The Securities may be issued in uncertificated and dematerialised book-entry form and registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). No physical global or definitive certificates will be issued in respect of such Securities and such Securities are issued subject to and in accordance with the Terms and Conditions herein, and are further subject to the Netherlands Securities Giro Act (*Wet giraal effectenverkeer*) and the rules and regulations of Euroclear Netherlands from time to time (together the “**Regulations**”). Delivery (*uitlevering*) of Securities registered with Euroclear Netherlands shall only be possible in the limited circumstances as described in the Securities Giro Act and such delivery will be made in accordance with such Act and the Regulations. If Securities are to be issued into and transferred through accounts at Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream, Luxembourg Banking, *société anonyme* (“**Clearstream, Luxembourg**”), such series of Securities will, on issue, be constituted by a permanent global security (the “**Global Security**”), which will be deposited with the common depositary for Euroclear and Clearstream, Luxembourg. No definitive certificates will be issued in respect of Securities constituted by a Global Security. Each issue of Securities will be issued on the terms set out herein which are relevant to such Securities under “*Terms and Conditions of the Securities*” on pages 33 to 159 and on such additional terms as will be set out in the relevant Final Terms.

An investment in Securities issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors” on pages 8-26.

This Base Prospectus is a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “**Financial Supervision Act**”) and regulations thereunder (together, “**Dutch securities laws**”) and has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or “**AFM**”), in its capacity as competent authority under the Dutch securities laws, in accordance with the provisions of the Prospectus Directive and the Dutch securities laws on 27 October 2011. Application will be made for Securities issued under the Programme within 12 months of the date of this Base Prospectus to be admitted for trading on NYSE Euronext in Amsterdam (“**Euronext Amsterdam**”) and to list on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. References in this Programme to Securities being “**listed**” (and all related

references) shall mean that such Securities have been admitted to trading on a regulated market. In addition, Securities may also be listed on another stock exchange and unlisted Securities may also be issued under the Programme. The relevant final terms to this Base Prospectus (the “**Final Terms**”) in respect of the issue of any Securities will specify whether such Securities will be listed on Euronext Amsterdam (or any other stock exchange) or whether the Securities will not be listed. In relation to each separate issue of Securities, the price and amount of such Securities will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

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

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

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

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

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

The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the “**CRA Regulation**”) as having been issued by Fitch Ratings Ltd (“**Fitch**”), Moody’s Investor Services Ltd (“**Moody’s**”) and Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”) upon registration pursuant to the CRA Regulation, Fitch, Moody’s and Standard & Poor’s are established in the European Union and have applied to be registered under the CRA Regulation, although the result of such applications has not yet been determined.

Unless the context otherwise requires, references in this Base Prospectus to “**Rabobank Group**”, “**Rabobank**” or the “**Group**” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and its members, subsidiaries and affiliates. Rabobank Nederland and Rabobank International are trading names of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. For the purposes of this Base Prospectus, references to “Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)” or “Rabobank Structured Products” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as Issuer.

This Base Prospectus supersedes and replaces the base prospectus dated 27 October 2010.

Dealer

RABOBANK INTERNATIONAL

The date of this Base Prospectus is 27 October 2011.

TABLE OF CONTENTS

| | Page |
|---|------|
| SUMMARY | 1 |
| RISK FACTORS | 8 |
| DOCUMENTS INCORPORATED BY REFERENCE..... | 27 |
| IMPORTANT INFORMATION..... | 28 |
| GENERAL DESCRIPTION OF THE PROGRAMME | 32 |
| TERMS AND CONDITIONS OF THE SECURITIES..... | 33 |
| General Definitions | 34 |
| 1 <i>Type, Title and Transfer</i> | 47 |
| 2 <i>Status of the Securities</i> | 51 |
| 3 <i>Interest on Certificates</i> | 51 |
| 4 <i>Exercise Rights in relation to Leveraged Certificates</i> | 56 |
| 5 <i>Exercise Rights in relation to Warrants</i> | 56 |
| 6 <i>Exercise Procedure in relation to Leveraged Certificates and Warrants</i> | 60 |
| 7 <i>Minimum and Maximum Number of Leveraged Certificates or Warrants Exercisable</i> | 63 |
| 8 <i>Redemption of Certificates</i> | 64 |
| 9 <i>Cancellation due to Illegality and Force Majeure</i> | 71 |
| 10 <i>Purchases</i> | 72 |
| 11 <i>Agents, Determinations, Meetings Provisions and Modifications</i> | 72 |
| 12 <i>Notices</i> | 74 |
| 13 <i>Expenses and Taxation</i> | 74 |
| 14 <i>Substitution of the Issuer</i> | 75 |
| 15 <i>Prescription</i> | 77 |
| 16 <i>Events of Default</i> | 77 |
| 17 <i>Increase and Further Issues</i> | 78 |
| 18 <i>Governing Law and Jurisdiction</i> | 78 |
| Annex 1: Equity Product Conditions..... | 79 |
| 1 <i>Definitions</i> | 79 |
| 2 <i>Adjustments, Consequences of Certain Events and Currency</i> | 84 |
| 3 <i>Knock-in Event and Knock-out Event</i> | 87 |
| 4 <i>Automatic Early Redemption in respect of Certificates</i> | 89 |

| | |
|---|-----|
| Annex 2: Fund Product Conditions | 91 |
| 1 Definitions..... | 91 |
| 2 Extraordinary Fund Events..... | 96 |
| 3 Consequences of an Extraordinary Fund Event..... | 99 |
| 4 Exchange Traded Funds | 100 |
| 5 Adjustments, Consequences of Certain Events and Currency in respect of Leveraged Certificates | 101 |
| 6 Knock-in Event and Knock-out Event | 104 |
| 7 Automatic Early Redemption in respect of Certificates | 106 |
| Annex 3: Index Product Conditions | 108 |
| 1 Definitions..... | 108 |
| 2 Adjustments to an Index and Additional Disruption Events..... | 114 |
| 3 Knock-in Event and Knock-out Event | 116 |
| 4 Automatic Early Redemption in respect of Certificates | 118 |
| Annex 4: Commodity Product Conditions | 120 |
| 1 Definitions..... | 120 |
| 2 Adjustments, Consequences of Certain Events and Currency..... | 127 |
| 3 Knock-in Event and Knock-out Event | 129 |
| 4 Automatic Early Redemption in respect of Certificates | 131 |
| Annex 5: Currency Product Conditions | 133 |
| 1 Definitions..... | 133 |
| 2 Adjustments, Consequences of Certain Events and Currency..... | 137 |
| 3 Knock-in Event and Knock-out Event | 137 |
| 4 Automatic Early Redemption in respect of Certificates | 139 |
| Annex 6: Debt Product Conditions..... | 141 |
| 1 Definitions..... | 141 |
| 2 Adjustments, Consequences of Certain Events and Currency..... | 145 |
| 3 Knock-in Event and Knock-out Event | 146 |
| 4 Automatic Early Redemption in respect of Certificates | 148 |
| Annex 7: Futures Product Conditions | 150 |
| 1 Definitions..... | 150 |
| 2 Adjustments | 153 |
| 3 Change of Exchange | 154 |

| | | |
|---|--|-----|
| 4 | <i>Price Correction</i> | 154 |
| 5 | <i>Currency</i> | 155 |
| 6 | <i>Additional Disruption Events</i> | 155 |
| 7 | <i>Change in Currencies</i> | 155 |
| 8 | <i>Knock-in Event and Knock-out Event</i> | 156 |
| 9 | <i>Automatic Early Redemption in respect of Certificates</i> | 158 |
| | FORM OF FINAL TERMS FOR LEVERAGED CERTIFICATES | 160 |
| | FORM OF FINAL TERMS FOR WARRANTS | 176 |
| | FORM OF FINAL TERMS FOR CERTIFICATES | 195 |
| | USE OF PROCEEDS | 231 |
| | CLEARING AND SETTLEMENT | 232 |
| | DESCRIPTION OF BUSINESS OF RABOBANK GROUP | 233 |
| | RABOBANK GROUP STRUCTURE | 244 |
| | MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 247 |
| | SELECTED FINANCIAL INFORMATION | 278 |
| | RISK MANAGEMENT | 281 |
| | GOVERNANCE OF RABOBANK GROUP | 288 |
| | REGULATION OF RABOBANK GROUP | 305 |
| | CAPITALISATION OF RABOBANK GROUP | 311 |
| | TAXATION | 312 |
| | SUBSCRIPTION AND SALE | 315 |
| | GENERAL INFORMATION | 321 |

SUMMARY

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

Issuer: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “**Issuer**”, “**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)**” or “**Rabobank Structured Products**”). Unless the context otherwise requires, references in this Base Prospectus to “**Rabobank Group**”, “**Rabobank**” or the “**Group**” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and its members, subsidiaries and affiliates.

Rabobank Group: Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 30 June 2011, it comprised 141 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agribusiness. Rabobank Group entities have strong internal relationships due to Rabobank’s cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor’s (AAA since 1981) and Moody’s (Aaa since 1981). In terms of tier 1 capital, Rabobank Group is among the world’s 30 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 892 branches and 2,956 cash-dispensing machines at 30 June 2011, the local Rabobanks form a dense banking network in the Netherlands. The website www.rabobank.nl serves over three million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

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

At 30 June 2011, Rabobank Group had total assets of €665.0 billion, a private sector loan portfolio of €440.9 billion, amounts due to customers of €305.4 billion, savings deposits of €137.4 billion and equity of €42.5 billion. At 30 June 2011, its tier 1 ratio, which is the ratio between tier 1 capital and total risk-weighted assets, was 16.2 per cent. For the six-months period ended 30 June 2011, Rabobank Group’s efficiency ratio was 59.7 per cent., and return on equity, or net profit expressed as a percentage of tier 1 capital, was 10.8 per cent. For the six months period ended 30 June 2011, Rabobank Group realised net profit of €1,854 million and a risk-adjusted return on capital (“**RAROC**”) of 16.8 per cent. after tax. At 30 June 2011, Rabobank Group had 59,380 full-time employees.

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

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

Residential mortgages: For the six-months period ended 30 June 2011, Rabobank Group had a market share of approximately 29.0 per cent. of the total amount of new home mortgages in the Dutch mortgage market (source: Dutch Land Registry Office (*Kadaster*)).

Savings deposits of individuals: At 30 June 2011, Rabobank Group had a market share of approximately 39.4 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)).

Lending to small and medium-sized enterprises: At 30 June 2011, Rabobank Group had a market share of approximately 42 per cent. of domestic loans to the trade, industry and services sector (source: measured by Rabobank's own surveys).

Agricultural loans: At 31 December 2010, Rabobank Group had a market share of approximately 84 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (source: measured by Rabobank's own surveys).

Asset quality record: For the six-months period ended 30 June 2011, Rabobank's bad debt costs were 29 basis points of average lending, which is higher than the ten year average of 24 basis points (based on the period from 2001 to 2010).

At 31 December 2010, economic country risk exposure to non-OECD countries represented 3.6 per cent. of Rabobank Group's total assets. Having taken into account country risk-reducing components, net country risk before provisions amounted to 1.4 per cent. of Rabobank's total assets.

Capitalisation: At 30 June 2011, Rabobank's tier 1 ratio was 16.2 per cent.

Dealer(s): Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) and any additional Dealer(s) appointed by the Issuer either in respect of one or more tranches or in respect of the whole Programme (the "**Dealers**"). The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more tranches or in respect of the whole Programme. References in this Base Prospectus 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.

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 are 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 are final and binding (save in the case of manifest error) on all parties.

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

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

Issue Price: The price and amount of Securities to be issued will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of such Securities. Securities may be issued on a fully paid or partially paid basis at an issue price which is at par, or a discount to, or a premium over par.

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

Currencies: Subject to compliance with all relevant laws, regulations and directives and/or central bank requirements, Securities may be denominated in such currency agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms.

Maturities: Subject to compliance with all relevant laws, regulations and directives and/or central bank requirements, Securities may be issued with any maturity between seven days and perpetuity and specified in the relevant Final Terms.

Denomination: Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and will be specified in the relevant Final Terms. Issues of Securities 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 of the Financial Services and Markets Act 2000 (the "**FSMA**") and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other Settlement Currencies).

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

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

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

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

Currency Linked Securities:

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

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

Commodity Linked Securities:

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

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

Index Linked Securities:

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

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

Equity Linked Securities:

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

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

Fund Linked Securities:

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

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

Debt Linked Securities:

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

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

Future Linked Securities:

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

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

Partly Paid Certificates:

The relevant Final Terms may provide that the Issue Price of such Certificates may be payable in two or more instalments on such dates as are specified in the relevant Final Terms.

Early Redemption, Cancellation or Adjustment: Securities may be redeemed early or cancelled, as applicable, or may be subject to adjustment at the option of the Issuer or the Securityholder (as the case may be), prior to their stated Redemption Date or Settlement Date, as applicable, in certain circumstances following an Illegality, a Force Majeure, an Event of Default in accordance with the General Conditions and a Potential Adjustment Event, Merger Event (in respect of Warrants), Delisting, Nationalisation, Insolvency, Tender Offer, Additional Disruption Event, Automatic Early Redemption (in respect of Certificates), Extraordinary Fund Event, Additional Extraordinary Fund Event, Fund Adjustment, Index Adjustment Event, certain events relating to commodities quoted in European currencies, a correction to a currency relating to a Security, a change of Exchange or Futures Adjustment Event in accordance with the applicable Annex (each as defined in the terms and conditions of the Securities) or any such other events as specified in the relevant Final Terms.

Certificates subject to optional redemption by the Issuer: The relevant Final Terms will specify whether the Certificates will be redeemable (in whole but not in part) at the option of the Issuer. If the Issuer elects to

exercise that option, the Certificates will be redeemed prior to the stated Redemption Date and at a price specified in the relevant Final Terms.

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

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

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

Rating: Generally, Securities issued under the Programme will be unrated. However, Securities issued under the Programme may be rated. Where a Tranche of Securities is rated, such rating may not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

Governing Law: The laws of the Netherlands.

Listing and admission to trading: Application will be made for Securities issued under this Programme to be admitted to trading on Euronext Amsterdam. Securities may also be unlisted and not admitted to trading on a regulated market and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

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

Selling Restrictions: Restrictions apply to offers, sales or transfers of Securities in various jurisdictions, including among others the United States, the European Economic Area (including the United Kingdom and the Netherlands). See “*Subscription and Sale*”.

In all jurisdictions, offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction.

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

Risk Factors: The purchase of Securities may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. A potential investor in the Securities should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor’s overall investment portfolio. Material risks that may affect the Issuer’s ability to fulfil its obligations under Securities issued under the Programme include Rabobank Group’s exposure to business and general economic conditions, credit risk, country risk, interest rate risk, funding and liquidity risk, market risk, currency risk, operational risk, legal risk, tax risk, systemic risk, competition, business environment, credit ratings, key employees, minimum regulatory capital and liquidity requirements, terrorist acts, civil

unrest, other acts of war or hostility, geopolitical, pandemic or other such events and the effect of governmental policy and regulation. Material risks relating to the structure of a particular issuance of Securities may (depending on the terms of the particular issue) include that the market price of the Securities may be volatile, the Securities may not pay interest or the payment of interest may depend on the market value of other securities, payment of principal or interest may occur at a different time or in a different currency than expected and payment of principal may be in an amount less than the nominal amount of the Securities or even zero. Please see “*Risk Factors*” below. The relevant Final Terms may also contain additional risk warnings.

RISK FACTORS

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

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

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

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

Business and general economic conditions

The profitability of Rabobank Group could be adversely affected by a continued worsening of general economic conditions in the Netherlands and/or globally. The financial crisis which started in the second half of 2007 has affected all banks. Banks are also faced with the turmoil that is caused by the European sovereign debt crisis that arose in the first half of 2010. The new flare-up in the European debt crisis in the first half of 2011 in combination with the debt ceiling crisis in the US, for which no lasting solution has been formulated as yet, might cause unexpected currency fluctuations. Moreover, the social unrest in the Middle East and North Africa that developed in the beginning of 2011 might also cause adverse economic effects which may adversely impact the Rabobank Group. Factors such as interest rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. For example, an economic downturn, or significantly higher interest rates, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, the market downturn and worsening of the economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a 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*". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material adverse effect on Rabobank Group's results of operations.

Credit risk

Credit risk is defined as the risk that the bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A "credit" is each legal relationship on the basis of which Rabobank, in its role as financial service provider can or will obtain a claim on a debtor

by providing a product, a facility or a limit. As well as loans and facilities (with or without commitment), credit as a generic term also includes, among other things, guarantees, letters of credit and derivatives.

The current economic downturn may result in loan losses that are above Rabobank Group's long-term average, which could have a material adverse effect on Rabobank Group's results of operations.

Country risk

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

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

Interest rate and inflation risk

An important risk component for Rabobank Group is interest rate risk. Interest rate risk is the risk, outside the trading environment, of deviations in interest income and/or the market value of capital as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for Rabobank Group's liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of Rabobank Group's assets, such as mortgages, which have longer interest rate fixation periods. Sudden and substantial changes in interest rates could have a material adverse effect on Rabobank Group's results of operations. Inflation and expected inflation can influence interest rates. An increase in inflation may: (i) decrease the value of certain fixed income instruments which Rabobank Group holds; (ii) result in surrenders of certain savings products with fixed rates below market rates by banking customers of Rabobank Group; (iii) require Rabobank Group to pay higher interest rates on the securities that it issues; and (iv) cause a general decline in financial markets.

Funding and liquidity risk

Liquidity risk is the risk that not all (re)payment commitments can be met. This could happen if clients or other professional counterparties suddenly withdraw more funding than expected, which cannot be met by Rabobank Group's cash resources or by selling or pledging assets or by borrowing funds from third parties. Important factors in preventing this are preserving the trust of customers for retail funding and maintaining access to financial markets for wholesale funding. If either of these were seriously threatened, this could have a material adverse effect on Rabobank Group's results of operations.

Market risk

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

Currency risk

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

Operational risk

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

Legal risk

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

Tax risk

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

Systemic risk

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

Effect of governmental policy and regulation

Rabobank Group’s businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union, the United States and elsewhere. Areas where changes could have an impact include, but are not limited to, the monetary, interest rate and other policies of central banks and regulatory authorities, changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates, changes and rules in competition and pricing environments, developments in the financial reporting environment, stress testing exercises to which financial institutions in general, and Rabobank Group in particular, are subject 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.

As of 1 January 2011 the (income) requirements for obtaining a personal mortgage loan that is secured by the Dutch Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen* or “**WEW**”), an institution that was founded by the Dutch government in 1993, through the National Mortgage Guarantee Scheme (*Nationale Hypotheekgarantie* or “**NHG**”) have been tightened. In 2012, these requirements could be further increased. In addition, the AFM, the supervisor that is responsible for supervising the conduct of the entire financial market sector in the Netherlands with respect to savings, investment, insurance and loans, has announced a proposal that augments the requirements for obtaining a NHG-guaranteed personal mortgage loan that is higher than the acquisition value of the house. All these factors may have material adverse effects on Rabobank Group's results of operations.

At 30 June 2011, mortgage loan interest payments for Dutch homeowners are tax deductible. If the tax deductibility is reduced or abolished, this could have a material adverse effect on Rabobank Group's results of operations.

In the United States, the Dodd-Frank Wall Street Reform and Consumer Reform Act (“**Dodd-Frank**”) contains significant reforms, the full effect of which can only be assessed when the implementation rules are finalised. Dodd-Frank may have material adverse effects on Rabobank Group's results of operations.

Minimum regulatory capital and liquidity requirements

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

In the future, under the Basel III proposals (“**Basel III**”), capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee on Banking Supervision (the “**Basel Committee**”) proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector”. The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010 the Basel Committee issued its final view on Basel III, as discussed under “*Regulation of Rabobank Group*”.

There can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Commission and/or the Dutch Central Bank may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital requirements on Dutch banks.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's results of operations.

Credit ratings

Rabobank Group's access to the unsecured funding markets is dependent on its credit ratings.

A downgrading in its credit ratings, as a result of a change in rating methodology or otherwise, could adversely affect Rabobank Group's access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements all of which could have a material adverse effect on Rabobank Group's results of operations.

Competition

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

Business environment

Concerns about geopolitical developments, social unrest (such as the turmoil that broke out in the beginning of 2011 in the Middle East and North Africa), oil prices and natural disasters (such as the earthquake that occurred in Japan in March 2011), among other things, can affect the global financial markets. Accounting and corporate governance scandals in recent years have had a significant negative impact on investor confidence. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's results of operations.

Terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events

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

Key employees

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

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

The Securities may not be a suitable investment for all investors

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

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

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

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

No interest may be payable under the Securities

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

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

Risks related to the structure of a particular issue of Securities

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

Risks related to Leveraged Certificates

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

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

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

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

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

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

Risks related to Warrants

Investment in Warrants involves a high degree of risk

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

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

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

Warrants are Unsecured Obligations

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

Certain Factors Affecting the Value and Trading Price of Warrants

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

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

Limitations on Exercise

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

Minimum Exercise Amount

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

Effect of Credit Rating Reduction

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

Time Lag after Exercise

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

Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Certain Additional Risk Factors Associated with Currency Linked Warrants

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

Securities subject to optional redemption by the Issuer

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

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

Currency Linked Securities

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

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

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

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

Commodity Linked Securities

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

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

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

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

Index Linked Securities and Equity Linked Securities

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

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

- (H) the Terms and Conditions of the Securities may contain broad calculation agent discretions to interpret, change or redeem the Securities, where such discretions are not required to be exercised in the interests of Securityholders.

No recourse to or claim against any Equity Issuer

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

Settlement Disruption Events

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

Failure to Deliver

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

Fund Linked Securities

General

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

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

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

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

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

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

Use of estimates

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

Changing value

The value of the Securities may move up or down between the Issue Date and the Redemption Date and an investor in the Securities in the secondary market during that time or on maturity of the Securities may sustain a significant loss. Factors that may influence the value of the Securities include: the value of the Fund; the creditworthiness of the Issuer in respect of the Securities; and those economic, financial, political and

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

regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

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

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

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

Debt Linked Securities

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

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

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

The market price of such Securities may be volatile and may be affected by the time remaining to the Redemption Date or Settlement Date, as applicable, the volatility of the debt instrument(s) and the financial results and prospects of the issuer or issuers of the relevant debt instrument(s) as well as economic, financial

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

Futures Linked Securities

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

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

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

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

Securities may not be principal protected

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

Variable rate Securities with a multiplier or other leverage factor

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

Fixed/Floating Rate Securities

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

rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Securities.

Partly Paid Certificates

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

Securities issued at a substantial discount or premium

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

Risks related to Securities generally

Set out below is a brief description of certain risks relating to the Securities generally²:

No claim against any Reference Item

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

An investment in Securities linked to one or more Reference Items may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section³. The amount paid or value of the specified assets delivered by the Issuer on redemption of such Securities may be less than the principal amount of the Securities, together with any accrued interest, and may in certain circumstances be zero.

Potential conflicts of interest in relation to hedging

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

Other potential conflicts of interest

Where the Issuer acts as Calculation Agent or the Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the holders of Securities, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the

² 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.

³ 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.

Securities that may influence the amount receivable or specified assets deliverable on redemption of the Securities.

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

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

Modification, waivers and substitution

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

The Terms and Conditions of the Securities may be amended by the Issuer (A) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (B) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Securities, (c) for the purpose of correcting any manifest error, or (d) if the amendment or modification is of a formal, minor or technical nature or is made to comply with mandatory provisions of law, in each case, without the consent of the holders of the Securities. The Terms and Conditions of the Securities also provide for the substitution of another company as principal debtor under any Securities in place of the Issuer, in the circumstances described in the Terms and Conditions of the Securities.

EU Savings Directive

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

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

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) (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 tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Savings Directive, the Issuer will be required to maintain a Paying Agent in an EC Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Change of law

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

Loss of principal

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

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk⁴:

The secondary market generally

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

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Settlement 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 Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement 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

⁴ 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.

Currency relative to the Settlement Currency would decrease (A) the Investor's Currency-equivalent yield on the Securities, (B) the Investor's Currency-equivalent value of the principal payable on the Securities and (C) the Investor's Currency-equivalent market value of the Securities. If the Securities are denominated in a currency other than the currency of the country in which the Securityholder is resident, the Securityholder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The Securityholder may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Security is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

Legal investment considerations may restrict certain investments

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (A) the Terms and Conditions of Securities as set forth in the Base Prospectus of the Issuer dated 24 September 2009 and 27 October 2010 and in respect of Securities (e.g. second and further tranche issues) if such Securities are to be consolidated and form a single series with the aforementioned securities;
- (B) the audited nonconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2008, 2009 and 2010 (together with the explanatory notes) and the independent auditor's reports in respect thereof;
- (C) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2008, 2009 and 2010 (together with the explanatory notes) and the independent auditor's reports in respect thereof and the independent auditor assurance reports included therein;
- (D) the annual reports of Rabobank Group for the years ended 31 December 2008, 2009 and 2010;
- (E) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2011 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 Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus 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 Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to the Issuer at its office set out at the end of this Base Prospectus (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01). In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabobank International (as Euronext Amsterdam Listing Agent), the offices of the Paying Agents and the website of the Issuer (www.rabobank.com/ir).

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

IMPORTANT INFORMATION

This Base Prospectus 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 Base Prospectus. 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 Base Prospectus 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 Base Prospectus in connection with an offer of Securities are the persons named in the relevant Final Terms as the relevant Dealer and the persons named in or identifiable according to the relevant Final Terms as the Financial Intermediaries, as the case may be.

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

This Base Prospectus 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 Base Prospectus.

The Dealer(s) (excluding Rabobank International) have not independently verified the information contained in this Base Prospectus. 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 Base Prospectus or any other information provided by the Issuer in connection with the Securities. No Dealer, other than Rabobank International, accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Securities.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers. Neither the delivery of this Base Prospectus 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 Base Prospectus 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 Base Prospectus 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 Base Prospectus nor any other information supplied in connection with the Programme or any Securities should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities

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

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

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in jurisdictions other than the Netherlands. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the relevant Final Terms, no action has been taken by the Issuer or the Dealer(s) which would permit a public offering of any Securities outside the Netherlands or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus 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 Base Prospectus or any Final Terms and the offering and sale of Securities. See “*Subscription and Sale*”.

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

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

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

All figures in this Base Prospectus have not been audited, unless stated otherwise, and are internal figures of Rabobank Nederland or Rabobank Group. The financial data in this Base Prospectus has been extracted from the audited consolidated financial statements of Rabobank Group, the annual report of Rabobank Group for the year 2010 or the interim report of Rabobank Group for the year 2011, 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 Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent offer of the Securities in the event that one or more of these credit rating agencies revise their ratings outlook on the Issuer or the Issuer’s securities.

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

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

Special considerations

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

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

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

With respect to Currency Linked Securities, the Issuer makes no warranty or representation whatsoever, express or implied, as to the future performance of the relevant currency rate(s) or the value of the level derived from a formula or index relating to one or more currency rate(s) or a combination thereof.

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters

referred to above and none of the Issuer or the Dealers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

GENERAL DESCRIPTION OF THE PROGRAMME

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

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

TERMS AND CONDITIONS OF THE SECURITIES

*The following is the text of the terms and conditions of the Securities (the “**General Conditions**”) that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Securities and which will include the additional terms and conditions contained in Annex 1 in the case of Equity Linked Securities, Annex 2 in the case of Fund Linked Securities, Annex 3 in the case of Index Linked Securities, Annex 4 in the case of Commodity Linked Securities, Annex 5 in the case of Currency Linked Securities, Annex 6 in the case of Debt Linked Securities and Annex 7 in the case of Futures Linked Securities. In the event of any inconsistency between the General Conditions and the Final Terms, the Final Terms shall prevail.*

All capitalised terms that are not defined in these General Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the General Conditions to “Securities” are to the Securities of one Series only, not to all Securities that may be issued under the Programme.

This Security is one of a Series (as defined below) of Securities issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “**Issuer**” or “**Rabobank Structured Products**”). The Issuer may from time to time issue leveraged exercisable certificates (the “**Leveraged Certificates**”), exercisable certificates (the “**Certificates**”) or warrants (the “**Warrants**” and, together with the Leveraged Certificates and Certificates, the “**Securities**” and each a “**Security**”).

The Securities are issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the date of issue of the Securities (the “**Issue Date**”)) between the Issuer, Deutsche Bank AG, London branch as issuing and paying agent (the “**Issuing and Paying Agent**”, which expression shall include any additional or successor Issuing and Paying Agent), in respect of the Warrants, the principal warrant agent (the “**Principal Warrant Agent**”) which expression shall include any additional or successor Principal Warrant Agent), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named therein (each a “**Paying Agent**” and, together with the Issuing and Paying Agent, the Principal Warrant Agent and the Euroclear Netherlands Fiscal Agent, the “**Paying Agents**”, which expression shall include any additional or successor Paying Agents) dated 27 October 2011 (the “**Agency Agreement**”).

No Securities in definitive form will be issued.

The Leveraged Certificates will, and the Certificates and Warrants may, be registered securities issued in dematerialised and uncertificated book-entry form (“**Uncertificated Book-entry Securities**”) registered with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”). The Uncertificated Book-entry Securities are issued subject to, and in accordance with, the General Conditions herein, and are further subject to the Securities Giro Act (*Wet giraal effectenverkeer*) and the rules and regulations of Euroclear Netherlands from time to time (together the “**Regulations**”).

Certificates and Warrants will, unless otherwise specified in the Final Terms, be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg and such Certificates and Warrants will, on issue, be constituted by a permanent global warrant or global certificate, as the case may be (the “**Global Security**”), which will be deposited with a common depositary to Euroclear and Clearstream, Luxembourg.

Delivery (*uitlevering*) of Uncertificated Book-entry Securities shall only be possible in the limited circumstances as described in the Securities Giro Act and such delivery will be made in accordance with such Act and the Regulations.

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

References to the “**relevant Final Terms**” are to the Final Terms (or the relevant provisions thereof) related to a specific issue of Securities registered with Euroclear Netherlands, or attached to the Global Security, as the case may be.

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

Copies of the Agency Agreement 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 the Security 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 Securityholder holding one or more Securities and such Securityholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Securities and identity. The Base Prospectus and, in the case of Securities admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, the relevant Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Securityholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the relevant Final Terms which are applicable to them. The statements in these General Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these General Conditions and the relevant Annex thereto 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 General Conditions:

General Definitions

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

“**Broken Amount**” means the amount specified as such in the relevant Final Terms;

“**Business Day**” means 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 the Financial Centres specified in the relevant Final Terms; and

- (B) either (i) in relation to any sum payable in a Settlement 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 Settlement Currency (if other than any Financial Centre and which if the Settlement Currency is Australian dollars or New Zealand dollars shall be Sydney and Wellington respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET System is operating;

“Calculation Agent” means 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 Securities, 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” means the calculation amount of the Securities as specified in the relevant Final Terms.

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

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

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

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

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

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

- (i) Upon a valid Exercise:
 $(\text{Current Financing Level} - \text{Final Reference Price}) \times \text{Entitlement, less Expenses; or}$
- (ii) Upon a valid Issuer Call:

(Current Financing Level – Termination Reference Price) x Entitlement, less Expenses; or

(iii) Following a Stop Loss Event:

(Current Financing Level – Stop Loss Termination Reference Price) x Entitlement, less Expenses; or

(C) in relation to Cash Settled Warrants, the amount (which may not be less than zero) to which the Securityholder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 5(B),

provided in each case (A), (B) and (C) that the Cash Settlement Amount shall not be less than zero.

For the purpose of the above calculation in respect of (A) and (B), the amounts shall be converted into the Settlement Currency at the prevailing Exchange Rate and the Cash Settlement amount rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Clearstream**” means Clearstream, Luxembourg Banking, *société anonyme*;

“**Clearing System**” means Euroclear Netherlands, Euroclear or Clearstream, Luxembourg and/or any additional or alternative clearing system approved by the Issuer from time to time and specified in the relevant Final Terms and notified to the Securityholders in accordance with General Condition 12;

“**Commodity Linked Securities**” means any Securities which are Commodity Linked Warrants, Commodity Linked Certificates or Commodity Linked Leveraged Certificates;

“**Currency Linked Securities**” means any Securities which are Currency Linked Warrants, Currency Linked Certificates or Currency Linked Leveraged Certificates;

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

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

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

(ii) Funding Cost; and minus

(iii) if specified to be applicable in the relevant Final Terms, Notional Dividend Amounts; or

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

(i) in the case of Long Leveraged Certificates:

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

(b) Handling Cost; minus

(c) if such determination is to be made on a Rollover Date, the corresponding Rollover Spread; or

(ii) in the case of Short Leveraged Certificates:

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

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

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

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

“Cut-off Date” means, in respect of Certificates, the date specified as such in the relevant Final Terms or if not so set out, the fifth Business Day immediately preceding the Redemption Date;

“Day Count Fraction” means, 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 (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if **“Actual/Actual - ICMA”** is specified in the relevant Final Terms, (i) 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 (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (ii) if the Interest Period is longer than one Determination Period, the sum of (1) the number of days in such Interest Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and (2) the number of days in such Interest Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year;
- (C) if **“Actual/365 (Fixed)”** is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (D) 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;

- (E) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (F) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula based as follows:

where:

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

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Settlement Date or Redemption Date, as applicable, or (ii) such number would be 31, in which case D₂ will be 30;

“**Debt Linked Securities**” means any Securities which are Debt Linked Warrants, Debt Linked Certificates or Debt Linked Leveraged Certificates;

“**Determination Date**” means the date specified as such in the relevant Final Terms, or, if none is so specified, the Interest Payment Date;

“**Determination Period**” means each period from, and including, a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

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

“**Early Redemption Unwind Costs**” means the amount specified in the relevant Final Terms or, if “**Standard Early Redemption Unwind Costs**” are specified in the relevant Final Terms, an amount determined by the Calculation Agent in its sole and absolute discretion equal to the sum of (without duplication) all costs, Expenses (including loss of funding), Tax and duties incurred by the Issuer in connection with the redemption of the Securities 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 Securities in the Specified Denomination;

“**EURIBOR**” means the Euro-zone inter-bank offered rate;

“**euro**” 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 on the European Union (signed in Maastricht on 7 February 1992) (the “**EC Member States**”);

“**Entitlement**” means:

- (A) in respect of Leveraged Certificates, the number specified as such in the relevant Final Terms, subject to any adjustment in accordance with the General Conditions; or
- (B) in respect of Physical Delivery Certificates or Physical Delivery Warrants, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Securityholder is

entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses) rounded down as provided in General Condition 5(c) or 8(I)(v), as determined by the Calculation Agent, including any documents evidencing such Entitlement;

“Equity Linked Securities” means any Securities which are Equity Linked Warrants, Equity Linked Certificates or Equity Linked Leveraged Certificates;

“Euroclear” means Euroclear Bank S.A./N.V.;

“Exchange Rate” means:

- (A) in respect of Leveraged Certificates, if the Financing Level Currency is different to the Settlement Currency, the rate of exchange between the Financing Level Currency and the Settlement Currency as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time; or
- (B) in respect of Certificates and Warrants, the exchange rate specified in the Final Terms;

“Exercise” means a Securityholder’s right to exercise the Leveraged Certificates in accordance with General Condition 4 or the Warrants in accordance with General Condition 5;

“Exercise Date” means:

- (A) in respect of Leveraged Certificates, subject to a Stop Loss Event as provided in General Condition 4(B) and Certificates, the third Business Day preceding the relevant Scheduled Valuation Date in respect of the relevant exercise; or
- (B) in respect of Warrants, the date specified as such in the Final Terms;

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

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

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

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

“Failure to Deliver Settlement Price” means, in respect of the relevant Warrant or Unit, as the case may be, the fair market value of such Warrant or Unit, as the case may be, on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above (taking into account, where the Failure to Deliver affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, Expenses, fees or Taxes incurred by the Issuer in respect of any such financial instruments or transactions, all as determined by the Calculation Agent, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

“Financial Centres” means the Financial Centres specified as such in the relevant Final Terms;

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

“Fund Linked Securities” means any Securities which are Fund Linked Warrants, Fund Linked Certificates or Fund Linked Leveraged Certificates;

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

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

The Funding Cost may be a negative number;

“Futures Linked Securities” means any Securities which are Futures Linked Warrants, Futures Linked Certificates or Futures Linked Leveraged Certificates;

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

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

The Handling Cost may be a negative number;

“Index Linked Securities” means any Securities which are Index Linked Warrants, Index Linked Certificates or Index Linked Leveraged Certificates;

“Interest Commencement Date” means the Issue Date unless otherwise specified in the relevant Final Terms;

“Interest Period” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date;

“Interest Period End Date” means the last day of each Interest Period;

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

“Issue Price” means the issue price of the Securities as specified in the relevant Final Terms;

“Issuer Call” means termination of the Leveraged Certificates by the Issuer in accordance with General Condition 4(C);

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

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

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

“LIBOR” means the London inter-bank offered rate;

“Local Time” means the local time in the city of the relevant Clearing System;

“Long Leveraged Certificate” means any Leveraged Certificate designated as such in the relevant Final Terms;

“Margin” means the margin applicable to the Securities as specified in the relevant Final Terms;

“Maximum Days of Disruption” means (other than in respect of Commodity Linked Certificates) eight Scheduled Trading Days or such other number of Scheduled Trading Days as specified in the relevant Final Terms;

“Maximum Rate of Interest” means the maximum rate of interest as specified in the relevant Final Terms;

“Minimum Rate of Interest” means the minimum rate of interest as specified in the relevant Final Terms;

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

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

“Obligatory Settlement” means the obligation of the Issuer to redeem the Certificates or Warrants, as the case may be, in whole but not in part, on the applicable Obligatory Redemption Date by payment of the applicable Obligatory Redemption Amount;

“Obligatory Redemption Amount” means any amount calculated as specified in the relevant Final Terms;

“Obligatory Redemption Date” means the date specified in the relevant Final Terms as being the Obligatory Redemption Date;

“Optional Redemption Amount” means the amount specified in, or determined in the manner specified in, the relevant Final Terms;

“Optional Redemption Date(s)” means the date(s) specified in the relevant Final Terms;

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

“Rate(s) of Interest” mean the applicable rate(s) specified in the relevant Final Terms;

“Redemption Amount” means, in relation to Cash Settled Certificates, the amount to which the Securityholder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the relevant Final Terms;

“Redemption Date” means:

(A) in respect of Cash Settled Certificates:

- (i) where Averaging is not specified in the relevant Final Terms, the fifth Business Day following the final Valuation Date provided that if the Certificates are Index Linked Certificates relating to a Basket of Indices, Equity Linked Certificates relating to a Basket of Equities, Fund Linked Certificates relating to a Basket of Funds, Futures Linked Certificates relating to a Basket of Futures, Commodity Linked Certificates relating to a Basket of Commodities, Currency Linked Certificates relating to a Basket of Currencies, Debt Linked Certificates relating to a Basket of Underlying Debt Securities and a Disrupted Day has resulted in a Valuation Date for one or more Indices, Equities, Funds, Futures, Commodities, Currencies or Underlying Debt Securities, as the case may be, being adjusted as set out in the definition of “Valuation Date” below, the Redemption Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Equity, Funds, Futures, Commodities, Currencies or Underlying Debt Securities as the case may be; or
- (ii) where Averaging is specified in the relevant Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Certificates are Index Linked Certificates relating to a Basket of Indices, Equity Linked Certificates relating to a Basket of Equities, Fund Linked Certificates relating to a Basket of Funds, Futures Linked Certificates relating to a Basket of Futures, Commodity Linked Certificates relating to a Basket of Commodities, Currency Linked Certificates relating to a Basket of Currencies, Debt Linked Certificates relating to a Basket of Underlying Debt Securities and a Disrupted Day (as defined in) has resulted in an Averaging Date for one or more Indices, Equities, Funds, Futures, Commodities, Currencies or Underlying Debt Securities, as the case may be, being adjusted as set out in the definition of Averaging Date above, the Redemption Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Equity, Funds, Futures, Commodities, Currencies or Underlying Debt Securities as the case may be, or such other date as is specified in the relevant Final Terms; and

(B) in relation to Physical Delivery Certificates, the date specified as such in the relevant Final Terms;

“**Reference Price**” means the Reference Price defined in the relevant Annex;

“**Reference Rate**” means the reference rate specified as such in the relevant Final Terms;

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

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

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

“**Rollover Spread**” means the rollover spread specified as such in the relevant Final Terms;

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

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

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

“**Screen Page**” means 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;

“**Settlement Disruption Event**” means an event beyond the control of the Issuer (including but not limited to non-delivery of the Relevant Assets by a counterparty to an agreement entered into by the Issuer and/or its Affiliates to hedge the Securities) as a result of which, in the opinion of the Calculation Agent, delivery of the Relevant Assets by or on behalf of the Issuer in accordance with these General Conditions and/or the relevant Final Terms is not practicable;

“**Settlement Business Day**” means any day on which the relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event would have been open for the acceptance and execution of settlement instructions;

“**Settlement Currency**” means the currency of the Securities as specified in the relevant Final Terms;

“**Settlement Date**” means:

(A) in respect of Leveraged Certificates, unless otherwise specified in the relevant Final Terms, a day on which the Issuer shall pay, or cause to be paid, the Cash Settlement Amount (if any) in respect of a valid Exercise, Stop Loss Event or Issuer Call; and

(B) in relation to Warrants, the date specified as such in the relevant Final Terms;

“Short Currency Leveraged Certificate” means a Currency Linked Leveraged Certificate which is a Short Leveraged Certificate;

“Short Leveraged Certificate” means any Leveraged Certificate designated as such in the relevant Final Terms;

“Specified Interest Payment Date” means the date on which interest for the relevant Interest Period falls due as specified in the relevant Final Terms;

“Specified Denomination” means the denomination of the Securities as specified in the relevant Final Terms;

“Specified Period” means the specified period specified as such in the relevant Final Terms;

“Specified Time” means the specified time specified as such in the relevant Final Terms;

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

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

(A) in the case of a Leveraged Certificate other than a Short Leveraged Certificate:

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

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

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

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

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

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

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

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

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

“Strike Date” means, in the case of Index Linked Certificates or Equity Linked Certificates, the Strike Date specified in the relevant Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (A) where the Certificates are Index Linked Certificates relating to a single Index or Equity Linked Certificates relating to a single Equity, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case:
 - (i) the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day;
 - (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the relevant Final Terms or, if not set out or practicable, determine the relevant level or price;
 - (iii) in the case of Index Linked Certificates, by determining the level of the Index as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the earlier to occur of (1) the last such Scheduled Trading Day and (2) the Cut-off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date); or
 - (iv) in the case of Equity Linked Certificates, in accordance with its good faith estimate of the relevant value or price as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date; or
- (B) where the Certificates are Index Linked Certificates relating to a basket of Indices or Equity Linked Certificates relating to a Basket of Equities, the Strike Date for each Index or Equity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index or Equity affected, as the case may be (each an **“Affected Item”**), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a

Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the relevant Final Terms or, if not set out or if not practicable, using:

- (i) in the case of an Index, the level of that Index as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) the Cut-off Date); or
- (ii) in the case of an Equity, its good faith estimate of the value for the Affected Item as of the Valuation Time on the earlier to occur of (1) the last such consecutive Scheduled Trading Day and (2) Cut-off Date;

“**sub-unit**” means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent;

“**Target Settlement Day**” means a day on which the Target System is operating;

“**Target System**” means the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2);

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

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

“**Weighting**” means the weighting to be applied to each relevant basket to ascertain the Reference Price as specified in the Final Terms.

1 Type, Title and Transfer

(A) Type

The Securities are Certificates, Leveraged Certificates or Warrants as specified in the relevant Final Terms.

(i) Leveraged Certificates

The Leveraged Certificates may relate to a specified Equity or Basket of Equities (“**Equity Linked Leveraged Certificates**”), a specified Fund Interest or Basket of Fund Interests (“**Fund Linked Leveraged Certificates**”), a specified Index or Basket of Indices (“**Index Linked Leveraged Certificates**”), a specified Commodity or Commodity Index or Basket of

Commodities or Basket of Commodity Indices (“**Commodity Linked Leveraged Certificates**”), a Subject Currency or Basket of Currencies (“**Currency Linked Leveraged Certificates**”), a specified Underlying Debt Security or Basket of Underlying Debt Securities (“**Debt Linked Leveraged Certificates**”), a specified Futures Contract or Basket of Futures Contracts (“**Futures Linked Leveraged Certificates**”) including Leveraged Certificates which relate to any combination of such Equities, Fund Interests, Indices, Commodities, Currencies, Futures or any other assets classes or types, in each case as is specified in the relevant Final Terms.

(ii) Certificates

The Certificates may relate to a specified Equity or Basket of Equities (“**Equity Linked Certificates**”), a specified Fund Interest or Basket of Fund Interests (“**Fund Linked Certificates**”), a specified Index or Basket of Indices (“**Index Linked Certificates**”), a specified Commodity or Commodity Index or Basket of Commodities or Basket of Commodity Indices (“**Commodity Linked Certificates**”), a Subject Currency or Basket of Currencies (“**Currency Linked Certificates**”), a specified Underlying Debt Security or Basket of Underlying Debt Securities (“**Debt Linked Certificates**”), a specified Futures Contract or Basket of Futures Contracts (“**Futures Linked Certificates**”) including Certificates which relate to any combination of such Equities, Fund Interests, Indices, Commodities, Currencies, Futures or any other assets classes or types, in each case as is specified in the relevant Final Terms.

If so specified in the relevant Final Terms, interest shall be payable in respect of the Certificates. Such Certificates will be Fixed Rate Certificates or Floating Rate Certificates.

The relevant Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Certificates**”) or physical delivery (“**Physical Delivery Certificates**”), whether Cash Settled Certificates are redeemable in instalments and whether averaging (“**Averaging**”) will apply to the Certificates.

The relevant Final Terms may provide that the Issue Price of Certificates may be payable in two or more instalments on such dates as are specified in the relevant Final Terms (“**Partly Paid Certificates**”).

(iii) Warrants

The Warrants may relate to a specified Equity or Basket of Equities (“**Equity Linked Warrants**”), a specified Fund Interest or Basket of Fund Interests (“**Fund Linked Warrants**”), a specified Index or Basket of Indices (“**Index Linked Warrants**”), a specified Commodity or Commodity Index or Basket of Commodities or Basket of Commodity Indices (“**Commodity Linked Warrants**”), a Subject Currency or Basket of Currencies (“**Currency Linked Warrants**”), a specified Underlying Debt Security or Basket of Underlying Debt Securities (“**Debt Linked Warrants**”), a specified Futures Contract or Basket of Futures Contracts (“**Futures Linked Warrants**”) including Warrants which relate to any combination of such Equities, Fund Interests, Indices, Commodities, Currencies, Futures or any other assets classes or types, in each case as is specified in the relevant Final Terms.

The relevant Final Terms will indicate whether the Warrants are American style Warrants (“**American Style Warrants**”) or European style Warrants (“**European Style Warrants**”) or such other type as may be specified in the relevant Final Terms, whether settlement shall be by way of cash payment (“**Cash Settled Warrants**”) or physical delivery (“**Physical Delivery**”).

Warrants”), whether the Warrants are call Warrants (“**Call Warrants**”) or put Warrants (“**Put Warrants**”), or such other type as may be specified in the relevant Final Terms, whether the Warrants may only be exercised in Units and whether averaging (“**Averaging**”) will apply to the Warrants.

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

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

References in these General Conditions, unless the context otherwise requires, to Cash Settled Certificates or Cash Settled Warrants shall be deemed to include references to (i) Physical Delivery Certificates or Physical Delivery Warrants which include an option (as set out in the relevant Final Terms) at the Issuer’s election to request cash settlement of such Certificate or Warrant, as the case may be, pursuant to, in respect of Certificates, General Condition 8(J)(i) and, in respect of Warrants, General Condition 5(D), and where settlement is to be by way of cash payment, and (ii) Physical Delivery Certificates where settlement is to be automatically varied to be by way of cash payment pursuant to General Condition 8(J)(ii).

References in these General Conditions, unless the context otherwise requires, to Physical Delivery Certificates and Physical Delivery Warrants shall be deemed to include references to (i) Cash Settled Certificates which include an option (as set out in the relevant Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to General Condition 9(C)(i) and where settlement is to be by way of physical delivery.

Securities may, if specified in the relevant Final Terms, allow Securityholders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the relevant Final Terms. Those Securities where the Securityholder has elected for cash payment will be Cash Settled Certificates or Cash Settled Warrants, as the case may be, and those Securities where the Securityholder has elected for physical delivery will be Physical Delivery Certificates or Physical Delivery Warrants, as the case may be. The rights of a Securityholder as described in this paragraph may be subject to the Issuer’s right to vary settlement as indicated in the relevant Final Terms and, in the case of Certificates, will be subject to the Issuer’s right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these General Conditions.

(B) Title

(i) Uncertificated Book-entry Securities

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

A Securityholder of a co-ownership right in respect of such community of denominations shall be treated as Securityholder of such Uncertificated Book-entry Securities (and the expression “**Securityholder**” and related expressions shall be construed accordingly).

(ii) Title to Securities represented by a Global Security

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

(C) Transfers

(i) Uncertificated Book-entry Securities

Transfer and delivery of denominations shall take place solely between or through the intermediary of admitted institutions (“**Admitted Institutions**”, defined in the Regulations as *aangesloten instellingen*) of Euroclear Netherlands. A Securityholder of a co-ownership right in respect of the community of denominations is referred to as a “**Securityholder**” and related expressions shall be construed accordingly. Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Paying Agent from time to time and notified to the Securityholders in accordance with General Condition 12.

Transfers of Securities may not be effected after (i) the exercise of such Certificates pursuant to General Condition 4 and General Condition 8(F) respectively; (ii) in respect of Leveraged Certificates only, the date upon which the Issuer gives notice to the Securityholders of the occurrence of a Stop Loss Event or (iii) the date upon which the Issuer gives notice to the Securityholders of its intention to terminate the Certificates as a result of an Issuer Call.

(ii) Global Security

For as long as the Certificates and/or Warrants are represented by a Global Security, all transactions (including permitted transfers of Certificates and/or Warrants) in the open market or otherwise must be effected through a relevant Clearing System subject to and in accordance with the rules and procedures for the time being of such Clearing System. Title will pass upon registration of the transfer in the books of each Clearing System.

(D) Payments

(i) Uncertificated Book-entry Securities

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

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

Any reference herein to Euroclear Netherlands shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Issuing and Paying Agent from time to time and notified to the Securityholders in accordance with General Condition 12.

(ii) Securities represented by a Global Security

All payments in respect of Securities represented by a Global Security will be made to, or to the order of the person whose name is entered on the register at the close of business on the Settlement Business Day immediately prior to the date for payment.

(E) Delivery of Leveraged Certificates

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

2 Status of the Securities

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

3 Interest on Certificates

If so specified in the relevant Final Terms, the Certificates will bear interest, such interest to be calculated on the basis of a fixed rate of interest (“**Fixed Rate Certificates**”), a floating rate of interest (“**Floating Rate Certificates**”) or by reference to the performance of one or more Index, Equity, Debt, Currency, Commodity, Fund or any other underlying security or any combination thereof in the manner specified in the relevant Final Terms (such Certificates being “**Index Linked Interest Certificates**”, “**Equity Linked Interest Certificates**”, “**Debt Linked Interest Certificates**”, “**Currency Linked Interest Certificates**”, “**Commodity Linked Interest Certificates**” and “**Fund Linked Interest Certificates**” respectively and collectively, the “**Linked Interest Certificates**”):

(A) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate bears interest on its outstanding nominal amount (or, if it is a Partly Paid Certificate, 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 up to, and including, the Redemption 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 (as defined below) 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 General 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 Settlement 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 Certificate is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Certificate shall be the product (determined in the manner provided above) of 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 Certificates and Linked Interest Certificates

(i) Interest Payment Dates

Each Floating Rate Certificate and, subject to the provisions of General Condition 3(C) and unless otherwise specified in the relevant Final Terms, each Linked Interest Certificate pays interest on its outstanding nominal amount (or, if it is a Partly Paid Certificate, in accordance with General Condition 3(D) 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 (i) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (ii) 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 General Condition 3(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 or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be the first preceding day that is a Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls at the end of 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 Certificates and Linked Interest Certificates for each Interest Period will be determined in the manner specified in the relevant Final Terms and, where applicable, 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.

(iii) ISDA Determination

Where “**ISDA Determination**” is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period 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 (iii), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction 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 Certificates, as published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Definitions**”) and under which:

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

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

(iv) Screen Rate Determination

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

- (a) the offered quotation; or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate 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 Calculation Agent. If five or more of such offered quotations are available on the relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than

one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations,

provided that if any such Rate of Interest is below zero, the Rate of Interest will be deemed to be zero.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Screen Page is not available, or if, in the case of (a) above, no such offered quotation appears, or in the case of (b) 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 Certificates is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Certificates will be determined as provided in the relevant Final Terms.

(v) 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), (iii) or (iv) (as appropriate) 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), (iii) or (iv) (as appropriate) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

In the case of Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent 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 Floating Rate Certificates and Linked Interest Certificates, the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the “**Interest Amount**”) payable per Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, 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 Security for such Interest Period shall equal the Interest Amount (or be calculated in accordance with such formula). Where the Specified Denomination of Certificates and Linked Interest Certificates is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Certificates and Linked Interest Certificates 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.

(vii) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Issuing and Paying Agents and any other stock exchange on which the relevant Certificates are for the time being listed and notice thereof to be published in accordance with General Condition 12 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) 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 Certificates are for the time being listed and to the Securityholders in accordance with General Condition 12.

For the purposes of this General Condition, the expression “**Amsterdam Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

(viii) Securities to be Final

The determination of each Rate of Interest and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(C) Interest on Index Linked Interest Certificates, Equity Linked Interest Certificates, Debt Linked Interest Certificates, Currency Linked Interest Certificates, Commodity Linked Interest Certificates, Fund Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the relevant Final Terms.

(D) Interest on Partly Paid Certificates

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

(E) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Issuing and Paying Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Securityholders and notice to that effect has been given to the Securityholders in accordance with General Condition 12.

4 Exercise Rights in relation to Leveraged Certificates

(A) Exercise

Provided no Stop Loss Event has occurred, and notwithstanding notice of an Issuer Call, the Leveraged Certificates are exercisable on any Exercise Date by delivery of an Exercise Notice in accordance with General Condition 6(A) prior to the Exercise Time on an Exercise Date.

(B) Stop Loss Event

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

(C) Issuer Call

The Issuer may terminate, subject to a valid Exercise or a Stop Loss Event, the Leveraged Certificates, in whole but not in part, on any Business Day by giving Securityholders at least the Issuer Call Notice Period notice of its intention to terminate the Leveraged Certificates, such notice to be given at any time from and including the Issuer Call Commencement Date. Any such notice shall be given in accordance with General Condition 12, and shall specify the Issuer Call Date and Settlement Date.

(D) Cash Settlement

Each Leveraged Certificate entitles the Securityholder, upon due Exercise, termination pursuant to an Issuer Call or following a Stop Loss Event, to receive from the Issuer on the Settlement Date the relevant Cash Settlement Amount.

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

5 Exercise Rights in relation to Warrants

(A) Exercise Period

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period.

Any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in General Condition 6, at or prior to 10.00 a.m. CET on the Expiration Date, shall become void, unless such American Style Warrant is a Cash Settled Warrant in which case (unless specified otherwise in the relevant Final Terms) it shall be deemed to have been automatically exercised on the Expiration Date (subject to prior cancellation of the Warrants in accordance with General Condition 9 or in any relevant Final Terms), and the Exercise Date for such Warrant shall be the Expiration Date.

The Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) to Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, and the copy thereof is received by the Paying Agent, is referred to herein as the “**Actual Exercise Date**”. If any Exercise Notice is received by Euroclear Netherlands or such other clearing system(s) as may be specified in the relevant Final Terms, as the case may be, or if the copy thereof is received by the Paying Agent, in each case, after 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on any

Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the “**Actual Exercise Date**”, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in General Condition 6(A) at or prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on the Expiration Date shall become void (unless deemed to have been automatically exercised as provided above).

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in General Condition 6(A), at or prior to 10.00 a.m. CET (or such other time as may be specified in the relevant Final Terms) on the Exercise Date, shall become void, unless such European Style Warrant is a Cash Settled Warrant in which case (unless provided otherwise in the relevant Final Terms) it shall be deemed to have been automatically exercised on the Exercise Date (subject to prior cancellation of the Warrants in accordance with General Condition 9 or in any relevant Final Terms), and the Exercise Date for such Warrants shall be the Exercise Date.

(B) Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the relevant Final Terms, each Unit entitles its Securityholder, upon due exercise (or upon automatic exercise as provided above) and subject, in the case of a Global Security, to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to the following (or such other amount specified in the relevant Final Terms):

- (i) where Averaging is not specified in the relevant Final Terms:
 - (a) if such Warrants are Call Warrants, (Reference Price less Exercise Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants, (Exercise Price less Reference Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the relevant Final Terms;
- (ii) where Averaging is specified in the relevant Final Terms:
 - (a) if such Warrants are Call Warrants, (the arithmetic mean of the Reference Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount;
 - (b) if such Warrants are Put Warrants, (Exercise Price less the arithmetic mean of the Reference Prices or all the Averaging Dates) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount; and
 - (c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the relevant Final Terms.

The Cash Settlement Amount will be subject to deduction of Expenses, as provided in General Condition 6(A)(i).

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Securityholder being aggregated for the purpose of determining the aggregate Cash Settlement Amount payable in respect of such Warrants or Units, as the case may be.

(C) Physical Settlement

(i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, entitles its Securityholder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the relevant Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Entitlement in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlement in respect of the same Securityholder will be rounded down to the nearest transferable unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof. Following exercise of an Equity Linked Warrant which is a Physical Delivery Warrant, all dividends on the relevant Equities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Equities. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Exercise Notice as referred to in General Condition 6(A)(i)(b).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the relevant Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine the appropriate pro rata portion of the Exercise Price to be paid by the relevant

Securityholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Securityholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with General Condition 12. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 12 that a Settlement Disruption Event has occurred. No Securityholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be, on the fifth Business Day prior to the date on which the notice of such election is given to the Securityholders as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless specified otherwise in the Final Terms, the cost to the Issuer of amending or liquidating any financial instruments or transactions entered into by the Issuer in connection with the Warrant or Unit, together with any costs, Expenses, fees or Taxes incurred by the Issuer in respect of any such financial instruments or transactions, all as determined by the Calculation Agent, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion); and

(iii) Failure to Deliver due to Illiquidity

If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Asset(s) comprising the Entitlement (, for the purposes of this General Condition 5 only, the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Asset(s) (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in the General Conditions for such Warrant and/or the relevant Final Terms, any Relevant Asset(s) which are not Affected Relevant Assets will be delivered pro rata on the originally designated Settlement Date and the Calculation Agent shall determine, in its sole discretion, the appropriate pro rata portion of the Exercise Price to be paid to the relevant Securityholder in respect of that partial settlement; 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 Securityholder 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 Securityholders in accordance with General Condition 12. Payment of the Failure to

Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Securityholders in accordance with General Condition 12 that the provisions of this General Condition 5(C)(iii) apply.

(D) Issuer’s Option to Vary Settlement

If the relevant Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these General Conditions, the Issuer may in respect of each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, elect not to pay the relevant Securityholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

(E) General

The Calculation Agent may give notice to the Securityholders, in accordance with General Condition 12, of the occurrence of a Disrupted Day if it results in the postponement of any payment or delivery in respect of the Warrants.

The purchase of Warrants does not confer on any Securityholders any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this General Condition 5 to “CET” shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

6 Exercise Procedure in relation to Leveraged Certificates and Warrants

(A) Exercise Notice

Leveraged Certificates and, unless automatically exercised, Warrants may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”), in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System with a copy to the Issuing and Paying Agent in accordance with the provisions set out in General Conditions 4 and 5 and this General Condition 6.

- (i) In the case of Leveraged Certificates or Cash Settled Warrants, the Exercise Notice shall (among other things):
 - (a) specify the Series number of the Leveraged Certificates or Warrants, as the case may be, and the number of Leveraged Certificates or Warrants, as the case may be, being exercised and, if Units are specified in the Final Terms, the number of Units exercised;
 - (b) specify the number of the Securityholder’s account with the Clearing System to be debited with the Leveraged Certificates or Warrants, as the case may be, being exercised;
 - (c) irrevocably instruct the Clearing System to debit on or before the Settlement Date the Securityholder’s account with the Leveraged Certificates or Warrants, as the case may be, being exercised;

- (d) specify the number of the Securityholder's account at the Clearing System to be credited with the Cash Settlement Amount (if any) for each Leveraged Certificate or Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Securityholder and/or to debit a specified account of the Securityholder at the relevant Clearing System, in respect thereof and to pay such Expenses;
- (f) certify, *inter alia*, that the beneficial owner of each Leveraged Certificate or Warrant being exercised is not a U.S. person or exercising such Leveraged Certificate or Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and
- (g) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (ii) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (a) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the relevant Final Terms, the number of Units being exercised;
 - (b) specify the number of the Securityholder's account with the relevant Clearing System, as the case may be, to be debited with the Warrants being exercised;
 - (c) irrevocably instruct the relevant Clearing System, to debit on or before the Settlement Date the Securityholder's account with the Warrants being exercised;
 - (d) irrevocably instruct the relevant Clearing System, Euroclear or Clearstream, Luxembourg or such other clearing system(s) as the case may be to debit on the Actual Exercise Date a specified account of the Securityholder with the relevant Clearing System, with the aggregate Exercise Price in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (e) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Securityholder at the relevant Clearing System, in respect thereof and to pay such Expenses;
 - (f) include such details as are required by the relevant Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account with the relevant Clearing System, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price (as defined in General Condition 8(I)(vi));
 - (g) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person or exercising such Warrant on behalf of a U.S. person (as defined in the Exercise Notice); and

- (h) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (iii) If General Condition 6(D) applies in respect of Warrants, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System and the Paying Agents during normal office hours.

(B) Verification of the Securityholder

Upon receipt of an Exercise Notice, the relevant Clearing System shall verify that the person exercising the Leveraged Certificates or Warrants, as the case may be, is the Securityholder thereof according to the books of the relevant Clearing System. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent the Series number and number of Leveraged Certificates or Warrants, as the case may be, being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Settlement Date debit the account of the relevant Securityholder with the Leveraged Certificates or Warrants, as the case may be, being exercised.

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

(C) Determinations

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

If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the relevant Paying Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System and the relevant Paying Agent.

Any Leveraged Certificate with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in General Condition 4 in the case of Leveraged Certificates, 5(A)(i) in the case of American Style Warrants or 5(A)(ii) in the case of European Style Warrants shall become void unless (in the case of Cash Settled Warrants) deemed to have been automatically exercised (as described above). Neither the Issuer nor the Paying Agents shall be liable to any person with respect to any action taken or omitted to be taken by them in connection with any determination as to whether an Exercise Notice is complete or in proper form or the notification of such determination to a Securityholder.

(D) Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Securityholder to exercise the Leveraged Certificates or Warrants, as the case may be, specified. After the delivery of

such Exercise Notice, such exercising Securityholder may not transfer such Leveraged Certificates or Warrants, as the case may be.

(E) Exercise Risk

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

7 Minimum and Maximum Number of Leveraged Certificates or Warrants Exercisable

(A) Leveraged Certificates

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

(B) American Style Warrants

(i) The number of Warrants exercisable by any Securityholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the “**Minimum Exercise Number**” specified in the relevant Final Terms (if any) and, if specified in the relevant Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the relevant Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Securityholder or a group of Securityholders (whether or not acting in concert) exceeds the “**Maximum Exercise Number**” (if any) (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants is exercised on the same day by Securityholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(C) European Style Warrants

The number of Warrants exercisable by any Securityholder on the Exercise Date as determined by the Issuer must be not less than the Minimum Exercise Number (if any) specified in the relevant Final Terms and, if specified in the relevant Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the relevant Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

8 Redemption of Certificates

(A) General

Unless the Certificates are Exercisable Certificates exercisable in accordance with General Condition 8(F), subject as provided in these General Conditions and as specified in the relevant Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Redemption Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in General Condition 8(I)(v), by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the Redemption Date. If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the Securityholder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Business Day, the Securityholder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in, and in accordance with, the provisions of the relevant Annex as specified in the relevant Final Terms.

(B) Issuer Call Option

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

- (i) not less than 5 nor more than 30 days’ notice, or such other period or on such date as may be specified in the relevant Final Terms, to the Securityholders in accordance with General Condition 12; and
- (ii) not less than 7 days before the giving of the notice referred to in sub-paragraph (i) above, notice to the relevant Paying Agent,

which notices shall be irrevocable, redeem all, or, if so provided, some only, of the Certificates then outstanding on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption of the Certificates, the rights of Securityholders of Certificates will, unless otherwise provided in the relevant Final Terms, be governed by the standard procedures of Euroclear Netherlands or any relevant Clearing System (as the case may be). So long as the Certificates are listed on the official list of Euronext Amsterdam and admitted to trading on the regulated market of Euronext Amsterdam and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

(C) Securityholder Put Option

If “**Securityholder Put Option**” is specified in the relevant Final Terms, upon the Securityholder of any Certificate giving to the Issuer, in accordance with General Condition 12, not less than 15 nor more than 30 days’ notice (or such other notice period as may be specified in the relevant Final Terms) (the “**Put Option Notice Period**”) the Issuer will, upon the expiry of such notice, redeem, subject to,

and in accordance with, the terms specified in the relevant Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the relevant Final Terms).

If the Certificate is held through Euroclear Netherlands and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Securityholder of the Certificate must, within the notice period, give notice to the Paying Agent concerned of such exercise (the “**Put Notice**”) in accordance with the standard procedures of Euroclear Netherlands and/or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear Netherlands and/or any other relevant Clearing System or any common depositary for them to the Paying Agent by electronic means) in a form acceptable to Euroclear Netherlands and/or any other relevant Clearing System from time to time. Any Put Notice given by a Securityholder of any Certificate pursuant to this General Condition 8(C) shall be irrevocable.

(D) Redemption in Instalments

If the relevant Final Terms specify that the Certificates are “**Instalment Certificates**”, each Certificate will be redeemed in the “**Instalment Amounts**” and on the “**Instalment Dates**” specified in the relevant Final Terms.

(E) Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the relevant Final Terms.

(F) Exercise of Certificates

If the Certificates are Cash Settled Certificates and “**Exercise of Certificates**” is specified as applying in the relevant Final Terms, the Certificates (such Certificates “**Exercisable Certificates**”) will be automatically exercised on the “**Exercise Date**”, subject as provided in the following paragraph. Upon automatic exercise, each Certificate entitles its Securityholder to receive from the Issuer the Redemption Amount on the Redemption Date.

(G) Obligatory Settlement

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

(H) Cash Settlement

Subject as provided below, the Issuer shall pay or cause to be paid the Redemption Amount (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Securityholder’s account with the relevant Clearing System for value on the Redemption Date (or in the case of Instalment Certificates, on the relevant Instalment Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System.

Subject as provided below, the Issuer shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Securityholder’s account with the relevant Clearing System for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System.

The Issuer will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the Securityholder of a particular amount of the Certificates must look solely to the relevant Clearing System for his Equity of each such payment so made to, or to the order of, such Clearing System.

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

(I) Physical Settlement

(i) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Securityholder must deliver to Euroclear Netherlands and/or any other relevant Clearing System, as the case may be, not later than 10:00 a.m. (Local Time) on the Cut-off Date, with a copy to the relevant Paying Agent, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement in accordance with the provisions set out in this General Condition 8.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

The Asset Transfer Notice shall:

- (a) specify the name, address and contact telephone number of the relevant Securityholder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (b) specify the Series number of the Certificates and the number of Certificates which are the subject of such notice;
- (c) specify the number of the Securityholder’s securities account at the relevant Clearing System;
- (d) irrevocably instruct the relevant Clearing System to debit the relevant Securityholder’s securities account with the relevant Certificates on or before the Redemption Date;
- (e) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Securityholder with the relevant Clearing System in respect thereof and to pay such Expenses;
- (f) include such details as are required by the relevant Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Securityholder’s account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;

- (g) with respect to Currency Linked Certificates only, specify the number of the Securityholder's account to the relevant Clearing System to be credited with the amount due upon redemption of the Certificates; and
- (h) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If General Condition 8(J) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System and the relevant Paying Agent.

(ii) Verification of the Securityholder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the Securityholder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent the Series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Delivery Date debit the securities account of the relevant Securityholder with the relevant Certificates.

(iii) Determinations

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

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System.

The relevant Clearing System shall use its best efforts promptly to notify the Securityholder submitting an Asset Transfer Notice if, in consultation with the Issuing and Paying Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents or the relevant Clearing System shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

(iv) Delivery of an Asset Transfer Notice

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the relevant Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Certificates which are the subject of such notice.

(v) Delivery of the Entitlement

The Entitlement will be delivered at the risk of the relevant Securityholder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this General Condition 8, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Paying Agent with a copy to the Issuing and Paying Agent, as provided above on or prior to the Cut-off Date.

If a Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuing and Paying Agent, on or prior to the Cut-off Date, then the Entitlement will be delivered or, as the case may be, delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date), at the risk of such Securityholder in the manner provided herein. For the avoidance of doubt, in such circumstances such Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of the Delivery Date or the Redemption Date, as the case may be, falling after the Redemption Date or the originally designated Redemption Date, as applicable, and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Securityholder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice.

All Expenses arising from the delivery of the Entitlement or delivery of the deliverable obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Securityholder and no delivery of the Entitlement or delivery of the deliverable obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

Certificates held by the same Securityholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that, the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the “**Deliverable Obligation**” or the “**Deliverable Obligations**”, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the “**Deliverable Obligation**” or the “**Deliverable Obligations**”, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Securityholder.

Following the Delivery Date of an Equity Linked Certificate all dividends on the relevant Equities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities executed on the Delivery Date and to be delivered in the same manner as such relevant Equities. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Asset Transfer Notice as referred to in General Condition 8(I)(i).

For such period of time after delivery or delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any

other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable Obligations or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations.

(vi) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the relevant Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Securityholder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with General Condition 12. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 12 that a Settlement Disruption Event has occurred. No Securityholder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“Disruption Cash Settlement Price”, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion;

(vii) Failure to Deliver due to Illiquidity

If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Asset(s) comprising the Entitlement (the **“Affected Relevant**

Assets”), due to illiquidity in the market for the Relevant Asset(s) (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in these General Conditions and/or the relevant Final Terms, any Relevant Asset(s) which are not Affected Relevant Assets will be delivered pro rata on the originally designated Redemption Date; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Securityholder 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 Securityholders in accordance with General Condition 12. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Securityholders in accordance with General Condition 12 that the provisions of this General Condition 8(I)(vii) apply.

(J) Variation of Settlement

The provisions of this General Condition 8(J) apply to Physical Delivery Certificates.

- (i) If the relevant Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may at its sole discretion in respect of each such Certificate, elect not to pay the relevant Securityholders the Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Redemption Amount on the Redemption Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders in accordance with General Condition 12.
- (ii) If specified in the relevant Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Securityholders, make payment of the Redemption Amount on the Redemption Date to the relevant Securityholders.

(K) Issuer’s Option to Substitute Assets or to pay the Alternate Cash Amount

The provisions of this General Condition 8(K) apply to Physical Delivery Certificates.

Following a valid redemption of Certificates in accordance with these General Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises Equities which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other Equities which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Securityholders, but in lieu thereof to make payment to the relevant Securityholders on the Redemption Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Amount**”). Notification of any such election will be given to Securityholders in accordance with General Condition 12.

For the purposes hereof, a “**freely tradable**” Equity shall mean an Equity not subject to any legal restrictions on transfer in the relevant jurisdiction.

(L) Rights of Securityholders and Calculations

None of the Issuer, the Calculation Agent and the Paying Agents shall have any responsibility for any errors or omissions in the calculation of any Redemption Amount or of any Entitlement.

The purchase of Certificates does not confer on any Securityholder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(M) Prescription

Claims against the Issuer for payment of principal or interest in respect of the Certificates shall become void unless made within five years from the due date thereof and no claims shall be made after such date.

9 Cancellation due to Illegality and Force Majeure

(A) Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer’s obligations under the Securities or that any arrangements made to hedge the Issuer’s obligations thereunder have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days’ notice to the Securityholders, in accordance with General Condition 12 (which notice shall be irrevocable) may, on expiry of such notice, cancel all, but not some only, of the then outstanding Securities.

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

If the Issuer cancels the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Securityholder or, if Units are specified in the Final Terms, each Unit, as the case may be, held by the Securityholder, which amount shall be the fair market value (if any) of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and already paid on behalf of the Securityholder of a relevant Security, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12.

(B) Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may redeem the Securities by giving notice to Securityholders in accordance with General Condition 12.

If the Issuer redeems the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Securityholder or, if Units are specified in the Final Terms, each Unit, as the case may be, held by the Securityholder, which amount shall be the fair market value (if any) of a Security or Unit, as the case may be, notwithstanding such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if

applicable and already paid on behalf of the Securityholder of a relevant Security, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12.

(C) Taxation

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Securities or that any arrangements made to hedge the Issuer's obligations thereunder (i) has resulted in or (ii) will result in (following a change in any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interruption thereof or following a decision of any court or tribunal), the Issuer and/or any of its Affiliates not being entitled to tax relief in respect of any losses, costs or Expenses incurred in relation to the Securities or such hedging arrangements or any other adverse tax consequences, the Issuer may, having given not less than 10 nor more than 30 days' notice to the Securityholders, in accordance with General Condition 12 (which notice shall be irrevocable) may, on expiry of such notice, cancel all, but not some only, of the then outstanding Securities.

If the Issuer cancels the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Securityholder or, if Units are specified in the Final Terms, each Unit, as the case may be, held by the Securityholder, which amount shall be the fair market value (if any) of a Security or Unit, as the case may be, adjusted to take account fully of any losses, Expenses and costs to the Issuer and/or any of its Affiliates and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related hedging arrangements (including, but not limited to, any options or selling or otherwise realising any 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) and any costs arising as a result of any of the changes referred to above and also taking into account in the case of Securities, if already paid by or on behalf of the Securityholder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12.

10 Purchases

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

11 Agents, Determinations, Meetings Provisions and Modifications

(A) Paying Agents

The Paying Agents initially appointed by the Issuer and their respective specified addresses are listed on page 323.

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

Notice of any termination of appointment and of any changes in the specified office of any Paying Agent shall promptly be given to Securityholders in accordance with General Condition 12. In acting under the Agency Agreement, each Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any determinations and calculations made in respect of the Securities by any Paying Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the respective Securityholders.

(B) Warrant Agents

The Warrant Agents initially appointed by the Issuer and their respective specified addresses are listed on page 323.

The Issuer reserves the right at any time to vary or terminate the appointment of any Warrant Agent and to appoint additional or other Warrant Agents, provided that no termination of appointment of the Principal Warrant Agent shall become effective until a replacement Principal Warrant Agent shall have been appointed and provided that, so long as any of the Warrants are listed or admitted to trading on a stock exchange, there shall be a Warrant Agent having a specified office in each location (if any) required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent shall promptly be given to Securityholders in accordance with General Condition 12. In acting under the Agency Agreement, each Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any determinations and calculations made in respect of the Warrants by any Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

(C) Calculation Agent

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

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

(D) Determinations by the Issuer

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

(E) Meetings of Securityholders

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the General Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Securityholders. Such a meeting may be convened by the Issuer or Securityholders holding not less than 5 per cent. (by

number) of the Securities for the time being outstanding. The quorum at a meeting of the Securityholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Securities outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the number of Securities so held or represented. The quorum at a meeting of Securityholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities outstanding or at any adjourned meeting two or more persons being, holding or representing not less than 10 per cent. (by number) of the Securities outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by Securityholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting.

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

(F) Modifications

The Issuer may modify these General Conditions and/or the Agency Agreement without the consent of the Securityholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Securityholders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Securityholders in accordance with General Condition 12, but failure to give, or non-receipt of, such notice shall not affect the validity of any such amendment or modification.

12 Notices

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

13 Expenses and Taxation

(A) Expenses

A Securityholder must pay all Taxes, duties and/or Expenses, including all applicable depositary, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties (“**Expenses**”), arising (i) upon exercise or redemption in connection with such Security and/or (ii) in connection with any payment or delivery due following Exercise or redemption or otherwise in respect of such Security.

(B) Taxes

The Issuer shall deduct from amounts payable or from assets deliverable to Securityholders all Related Expenses, not previously deducted from amounts paid or assets delivered to Securityholders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Certificates.

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

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

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

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

14 Substitution of the Issuer

- (A) The Issuer or any previous substitute of the Issuer under this General Condition 14 may, and the Securityholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this General Condition 14 may, without any further prior consent of any Securityholder 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 Securities or undertake its obligations in respect of the Securities through any of its branches (any such company or branch, the “**Substitute Obligor**”), in respect of the Securities, provided that:

- (i) such documents shall be executed by the Substitute Obligor and the Issuer or any previous substitute as may be necessary as aforesaid to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Obligor shall undertake in favour of each Securityholder to be bound by the General Conditions and the provisions of the Agency Agreement as fully as if the Substitute Obligor had been named in the Securities and the Agency Agreement as the principal obligor in respect of the Securities in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee, (the “**Substitution Guarantee**”) in favour of each Securityholder the performance by the Substitute Obligor of all obligations under the Securities;

- (ii) the Documents shall contain a warranty and representation by the Substitute Obligor and the Issuer (a) that each of the Substitute Obligor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the Substitute Obligor, that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Obligor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (b) the obligations assumed by the Substitute Obligor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Securityholder and that, in the case of the Substitute Obligor undertaking its obligations with respect to the Leveraged Certificates through a branch, the Securities remain the valid and binding obligations of such Substitute Obligor;
 - (iii) this General Condition 14 shall be deemed to be amended so that it shall also be an Event of Default under the said General Condition 14 if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer;
 - (iv) each stock exchange which has Securities listed or admitted to trading thereon shall have confirmed that following the proposed substitution by the Substitute Obligor such Securities would continue to be listed or admitted to trading (as the case may be) on such stock exchange;
 - (v) the Substitute Obligor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substitute Obligor to the effect that the Documents constitute legal, valid and binding obligations of the Substitute Obligor, such opinion to be dated not more than three days prior to the date of substitution of the Substitute Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Issuing and Paying Agent;
 - (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Issuing and Paying Agent; and
 - (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Substitute Obligor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution by the Substitute Obligor for the Issuer and to be available for inspection by Securityholders at the specified office of the Issuing and Paying Agent.
- (B) In connection with any substitution effected pursuant to this General Condition 14, neither the Issuer nor the Substitute Obligor need have any regard to the consequences of any such substitution for individual Securityholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Securityholder, except as provided in paragraph (A)(ii) above, shall be entitled to claim from the Issuer or any Substitute Obligor under the Securities any indemnification or payment in respect of any Tax or other consequences arising from such substitution.

- (C) Upon the Documents becoming valid and binding obligations of the Substitute Obligor and the Issuer, and subject to the notice having been given in accordance with paragraph (E) below, the Substitute Obligor shall be deemed to be named in the Securities as the principal obligor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (E) below shall, in the case of the substitution of any other company as principal obligor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal obligor in respect of the Securities.
- (D) The Documents referred to in paragraph (A) above shall be deposited with and held by the Issuing and Paying Agent for so long as any Securities remain outstanding and for so long as any claim made against the Substitute Obligor or the Issuer by any Securityholder in relation to the Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Obligor and the Issuer acknowledge the right of every Securityholder to the production of the Documents for the enforcement of any of the Securities or the Documents.
- (E) Not later than 15 Business Days after the execution of the Documents, the Substitute Obligor shall give notice thereof to the Securityholders and the relevant Clearing System in accordance with General Condition 12. A supplement to the Prospectus concerning the substitution of the Issuer shall be prepared.

15 Prescription

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

16 Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, the Securityholder may, by written notice to the Issuer at the specified office of the relevant Paying Agent and the Issuer, declare such Securities to be forthwith due and payable, whereupon the Early Redemption Amount (in respect of Certificates) or the Cancellation Amount (in respect of Leveraged Certificates or Warrants) of such Securities together with accrued interest to (but excluding) the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (A) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Securities;
- (B) the Issuer fails to perform or observe any of its other obligations pursuant to the Securities and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied;
- (C) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court;
- (D) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of

which have previously been approved by a meeting of the Securityholders) or the Issuer compromises with its creditors generally or such measures are officially decreed;

- (E) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (F) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Securityholders).

17 Increase and Further Issues

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

18 Governing Law and Jurisdiction

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

ANNEX 1: TERMS AND CONDITIONS OF EQUITY LINKED SECURITIES

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

1 Definitions

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

“**Additional Disruption Event**” means Change in Law, Insolvency Filing, 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 each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred 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, then (a) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date) and (b) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities 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 the Averaging Date and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (the “**Affected Equity**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Equity. If the first succeeding Valid Date in relation to 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, then (a) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity, and (b) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

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

“Basket of Equities” 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.

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

“Clearance System” 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.

“Delisting” 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).

“Disrupted Day” 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.

“Early Closure” means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (B) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant 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 (A) to effect transactions in, or obtain market values for, the Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Equities on any relevant Related Exchange.

“Exchange Rate” means the Exchange Rate specified in the relevant Final Terms.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

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

“Insolvency Filing” 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.

“Market Disruption Event” means, in respect of an Equity, the occurrence or existence of (A) a Trading Disruption, or (B) an Exchange Disruption, which in each case the Calculation Agent determines, in its sole discretion, is material, at any time during the one-hour period that ends at the relevant Valuation Time as the case may be, or (C) an Early Closure.

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

“Merger Event” means, in respect of any relevant Equities, any (A) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding

to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (D) 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 “**Reverse Merger**”), in each case if the Merger Date is on or before the Valuation Date or, if the Securities are to be redeemed by delivery of Equities, the Settlement Date or Redemption Date, as applicable.

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

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

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

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

- (A) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities specified in the relevant Final Terms of (i) such Equities, or (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, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Equity Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or Other Consideration (if applicable)) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent in its sole and absolute discretion whether such dividend is extraordinary);
- (D) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (F) in respect of an Equity Issuer, an event that results in any shareholder rights being 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
- (G) any other event having, in the opinion of the Calculation Agent, a dilutive, concentrative or other effect on the theoretical value of one or more of the relevant Equities.

“Reference Price” means:

- (A) where the Securities 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, 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 the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange 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, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the 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.

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

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

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

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

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

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Securities 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 (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 Valuation Date is a Disrupted Day relating to the Affected Equity. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day.

“**Valuation Time**” means 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 Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

(A) Adjustments

Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential

Adjustment Event has a dilutive, concentrative or other effect on the theoretical value of the Equity or Equities and, if so:

- (i) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the 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
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer in its sole and absolute discretion may cancel or redeem, as applicable, all, but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount in respect of a cancellation or the Early Redemption Amount in respect of a redemption.

If the provisions of Equity Product Condition 2(A)(i) 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 Equity traded on such options exchange.

Upon the making of an adjustment pursuant to this Equity Product Condition 2(A) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Securityholders in accordance with General Condition 12 stating any adjustments made, together with brief details of the Potential Adjustment Event, provided that any failure to give such notice will not affect the validity of such adjustment.

(B) Consequences of a Merger Event in respect of Leveraged Certificates

In relation to Leveraged Certificates, if the Calculation Agent determines that a Merger Event has occurred in respect of the Equity, the Issuer may:

- (i) cancel the Leveraged Certificates by giving notice to Securityholders in accordance with General Condition 12. If the Leveraged Certificates are so cancelled, the Issuer will pay an amount to each Securityholder in respect of each Leveraged Certificate held by it, which amount shall be the equal to the Cancellation Amount. Payments will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 12;
- (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Leveraged Certificates as the Calculation Agent determines appropriate to account for the economic effect on the Leveraged Certificates of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Equity or to the Leveraged Certificates), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Equity traded on such options exchange and determine the effective date of that adjustment; and/or
- (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Equities and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if

applicable), and their issuer (if any) to be the relevant “Equities” and the relevant “Equity Issuer”, respectively, and, if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant Equity Product Conditions as it may determine.

The Issuer shall give notice of such cancellation, adjustment or deemed change to Securityholders in accordance with General Condition 12.

(C) Consequence of a Merger Event in respect of Warrants and Certificates and a Delisting, Nationalisation, Insolvency or a Tender Offer in respect of Securities

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

- (i) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the 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
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer in its sole and absolute discretion may cancel or redeem, as applicable, all, but not some only, of the affected Securities. If the Issuer cancels or redeems, as applicable, the Securities then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount in respect of a cancellation or the Early Redemption Amount in respect of redemption.

If the provisions of Equity Product Condition 2(C)(i) applies, 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 relevant Equities traded on that options exchange.

Upon the making of an adjustment pursuant to this Equity Product Condition 2(C) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Securityholders in accordance with General Condition 12 stating any adjustments made, together with brief details of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, provided that any failure to give such notice will not affect the validity of such adjustment.

(D) Additional Disruption Events

- (i) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event has occurred, the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to one or more of the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the 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
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer in its sole and absolute discretion may cancel or redeem, as applicable, all, but not some only, of the affected Securities. If the Issuer cancels or redeems, as applicable, the Securities then the Issuer will, and to the extent permitted by applicable law, pay an amount to each Securityholder

in respect of each Securities, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

Upon the making of an adjustment pursuant to this Equity Product Condition 2(C) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Securityholders in accordance with General Condition 12 stating any adjustments made, together with brief details of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, provided that any failure to give such notice will not affect the validity of such adjustment.

(E) Change in Currencies

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

The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 12.

(F) 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 Securities is subsequently corrected, the Calculation Agent will, in its sole and absolute discretion, adjust its terms of the Securities 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 Interest Payment Date or Settlement Date or Redemption Date, as applicable, to make such adjustment prior to the relevant Interest Payment Date or Settlement Date or Redemption Date, as the case may be.

3 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the price of the Equity triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that

if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Equity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.

- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Equity triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Equity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.

- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“Knock-in Determination Day” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“Knock-in Determination Period” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“Knock-in Event” means:

- (i) (in the case of a single Equity) that the price of the Equity determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Equities) that the amount determined by the Calculation Agent as equal to the sum of the values of each Equity as the product of (a) the price of such Equity as of the Knock-in Valuation Time on any Knock-in Determination Day, and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Price” means (i) in the case of a single Equity, the price of the Equity or (ii) in the case of a Basket of Equities, the price, in each case specified as such or otherwise determined in the relevant

Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Equity Product Condition 2;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means:

- (i) (in the case of a single Equity) that the price of the Equity determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
 - (ii) (in the case of a Basket of Equities) that the amount determined by the Calculation Agent as equal to the sum of the values of each Equity as the product of (a) the price of such Equity as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“Knock-out Price” means, in the case of a single Equity, (i) the price of the Equity, or (ii) in the case of a Basket of Equities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Equity Product Condition 2;

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

4 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Equity, the Reference Price or (ii) in the case of a Basket of Equities, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Level” means the price of the Equity specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Equity Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“Basket Price” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Equity as the product of (i) the Reference Price of such Equity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 2: TERMS AND CONDITIONS OF FUND LINKED SECURITIES

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

1 Definitions

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

“**Additional Extraordinary Fund Event**” means any additional event specified in the related Final Terms.

“**Additional Fund Documents**” has the meaning given to it 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.

“**Basket of Funds**” 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.

“**Calculation Date**” means each day(s) specified in the relevant Final Terms, or if not so specified, each day which is a Fund Business Day.

“**Disrupted Day**” means, in respect of a Fund Business Day, the occurrence or continuation of the following events as determined by the Calculation Agent in its sole and absolute discretion:

- (A) a failure by the 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);
- (B) the Calculation Agent determining in good faith and a commercially reasonable manner that the Fund Interest Price of the relevant Fund Interest is inaccurate;
- (C) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible in accordance with the Fund Documents); or
- (D) a postponement or failure of a 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).

“**ETF**” means any Reference Fund specified to be an “**Exchange Traded Fund**” in the relevant Final Terms, or if not so specified, any Reference Fund which the Calculation Agent determines to be an Exchange Traded Fund.

“**Exchange**” means, in relation to an ETF, the exchange or principal trading market for such ETF specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Interests in respect of such ETF has temporarily relocated.

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

“Fund Administrator” means any person specified as such in the relevant Final Terms or, if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.

“Fund Adviser” 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.

“Fund Business Day” means any day specified as such in the relevant Final Terms or, if no such day is specified, any day that the Reference Fund or the primary Fund Administrator acting on behalf of the Reference Fund is open for business.

“Fund Documents” means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related 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.

“Fund Interest” means any interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the relevant Final Terms.

“Fund Interest Price” means, on any Fund Business Day, the price of one Fund Interest in the Settlement 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.

“Fund Interest Unit” 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.

“Fund Manager” 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.

“Fund Reporting Date” means, in respect of the Fund Interest and a Calculation Date, the date on which the Fund Interest Price is reported or published in respect of such Calculation Date.

“Fund Service Provider” means, in respect of any 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, depositary, 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.

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

“**Hedging Party**” means the party (being, *inter alia*, the Issuer, the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer’s obligations in respect of the Securities or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedging Party will hold or be deemed to hold such number of Fund Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Interests as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities.

“**Hypothetical Investor**” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Calculation Agent or any Hedging Party (as determined by the Calculation Agent in the context of the relevant situation).

“**Implied Embedded Option Value**” means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Interests by the Hedging Party, the volatility of the Fund Interests and transaction costs.

“**Implied Embedded Option Value Determination Date**” means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary Fund Event.

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

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

“**NAV Barrier**” has the meaning given to it in the relevant Final Terms.

“**NAV per Fund Equity**” means, with respect to the relevant Fund Interests and the Fund Reporting Date relating to such Fund Interests, (A) the net asset value per Fund Equity of such Fund Interests as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Reference Fund to its investors or a publishing service, or (B) if the Fund Service Provider of the Reference Fund publishes or reports only the aggregate net asset value of the Fund Interests, the net asset value per Fund Equity relating to such number of Fund Interests as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Interests divided by the relevant number of Fund Interests.

“**NAV Trigger Event**” means, in respect of the Fund Interest, that (i) the NAV per Fund Interest has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or, (ii) the Reference Fund has violated any leverage restriction that is applicable to, or affecting, such Reference Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Reference Fund or any of its assets.

“**NAV Trigger Percentage**” means the percentage specified in the relevant Final Terms or, if not so specified, the period from and including the Initial Calculation Date to and including the Final Calculation Date.

“NAV Trigger Period” means the period specified in the relevant Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

“Non-Principal Protected Termination Amount” means an amount per Security determined by the sum of:

- (A) the Implied Embedded Option Value; and
- (B) if “Delayed Redemption on Occurrence of an Extraordinary Fund Event” is specified as being applicable in the relevant Final Terms, the Simple Interest.

“Number of NAV Publication Days” means the number of calendar days specified in the relevant Final Terms, being the maximum number of days after the due date for publication or reporting of the Fund Interest Price after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Reference Fund, may remedy any failure to publish or report the Fund Interest Price before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

“Portfolio” means the notional portfolio specified in the relevant Final Terms.

“Potential Replacement Index” means any of the HFRX Equal Weighted Tracker Fund, FTSE Hedge Index and the Dow Jones Hedge Fund Balanced Portfolio Index, or any successor indices thereto, and/or any other indices specified in the relevant Final Terms.

“Principal Protected Termination Amount” means an amount per Security determined as the sum of:

- (A) the Protected Amount;
- (B) the Implied Embedded Option Value; and
- (C) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the relevant Final Terms, the Simple Interest.

“Protected Amount” means the amount specified as such in the relevant Final Terms.

“Reference Fund” 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.

“Reference Price” means:

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Fund Interest, an amount equal to the Fund Interest Price on the relevant date (or the Fund Interest Price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) or if, in the opinion of the Calculation Agent, no such Fund Interest Price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent’s good faith estimate of the value of the Fund Interest on the relevant date (or the value of the Fund Interest at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms). Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Reference Price; or
- (B) where the Warrants are specified in the relevant Final Terms to relate to a Basket of Funds, an amount equal to the sum of the values calculated for each Fund Interest as the Fund Interest Price on the relevant date (or the Fund Interest Price at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) or if, in the opinion of the Calculation Agent, no such Fund Interest Price (or price at the Valuation Time on the relevant date if a Valuation Time is specified in the

relevant Final Terms) can be determined, the Calculation Agent's good faith estimate of the value of the Fund Interest on the relevant date (or the value of the Fund Interest at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

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

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from and including, the Implied Embedded Option Value Determination Date to and including, the Final Calculation Date calculated on the basis that such interest were payable by the floating rate payer under an interest rate swap transaction incorporating the ISDA Definitions under which:

- (A) the **"Effective Date"** is the Implied Embedded Option Value Determination Date;
- (B) the **"Termination Date"** is the Termination Date;
- (C) the **"Floating Rate Payer Payment Date"** is the Termination Date;
- (D) the **"Floating Rate Option"** is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the **"Designated Maturity"** is three months;
- (F) the **"Spread"** is as specified in the relevant Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the **"Floating Rate Day Count Fraction"** is Actual/360;
- (H) the **"Reset Date"** is the first day of the relevant Compounding Period;
- (I) **"Compounding"** is "Applicable"; and
- (J) the **"Compounding Dates"** are the day falling three months after the Effective Date and each date falling three months after the previous Compounding Date,

provided that if the final Compounding Period is less than three months, "Linear Interpolation" (as defined in the ISDA Definitions) applies.

"Termination Amount" means an amount in the Settlement Currency calculated as specified in the relevant Final Terms or if not so specified (A) the Principal Protected Termination Amount, or (B) the Non-Principal Protected Termination Amount as specified in the relevant Final Terms.

"Termination Date" means (A) the date specified in the relevant Final Terms, or (B) if "Cancellation on the Occurrence of an Extraordinary Fund Event" is specified as being applicable in the relevant Final Terms, the Redemption or Expiration as applicable Date.

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Fund Interest, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Funds, the Valuation Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Interest affected by the occurrence of a Disrupted Day (each an **“Affected Fund Interest”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Interest unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Fund Interest. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Fund Interest, notwithstanding the fact that such day is a Disrupted Day.

“Valuation Time” means 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 Fund Interest to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Extraordinary Fund Events

“Extraordinary Fund Event” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (A) the Reference Fund or the investment adviser, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (a) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (b) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii) (a) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official

for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;

- (B) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Reference Fund, the investment adviser, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedging Party's rights or obligations in relation to its hedging activities in respect of the Securities;
- (C) the Fund Service Provider or other agents or entity fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Reference Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (D) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Reference Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature, or (ii) a material modification of the type of assets in which the Reference Fund invests (including, but not limited to, a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (E) a material modification of the Reference Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Interest, or any change in the periodicity of the calculation or the publication of the NAV per Fund Interest, or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Reference Fund or investors in the Reference Fund, (including, without limitation, the suspension of the NAV per Fund Interest), in each case other than a modification or event which does not affect the Fund Interest or the Reference Fund or any portfolio of assets to which the Fund Equity relates (either alone or in common with other Fund Interest issued by the Reference Fund);
- (F) the investment adviser, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Reference Fund;
- (G) (i) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Interest, and such event continues for at least 14 calendar days, or (ii) any failure of the Reference Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedging Party, or (2) information that has been previously delivered to the Hedging Party or the Calculation Agent, as applicable, in accordance with the Reference Fund's, or its authorised representative's, normal practice and that the Hedging Party deems necessary for it or the Calculation Agent, as applicable, to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Interest;
- (H) any of the Reference Fund, the administrator of the Reference Fund or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Reference

Fund fails for any reason to calculate and publish the Fund Interest Price within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interest unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;

- (I) (i) any relevant activities of or in relation to the Reference Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Reference Fund or the investment adviser, manager or sub-manager thereof, (iii) the Reference Fund is required by a competent authority (other than any Securityholder of the Fund Interest) to redeem any Fund Interests and/or (iv) the Issuer and/or the Hedging Party is required by a competent authority, the Reference Fund or any other relevant entity to dispose of or compulsorily redeem any Reference Fund interest held in connection with any hedging arrangements relating to the Securities;
- (J) (i) the non-execution or partial-execution by the Reference Fund for any reason of a subscription or redemption order in respect of any Fund Interest submitted by the Hedging Party (including, for the avoidance of any doubt, any non-execution by the Reference Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedging Party have an adverse impact on the Hedging Party's rights or obligations in relation to its hedging activities in relation to the Securities, (ii) the Reference Fund otherwise suspends or refuses transfers of any of its Fund Interest as described in the Fund Documents, (iii) if applicable, the Reference Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the Reference Fund otherwise suspends or refuses redemptions of any of its Fund Interest (including, without limitation, if the Reference Fund applies any gating, deferral, suspension or other similar provisions permitting the Reference Fund to delay or refuse redemption or transfer of Fund Interest as described in the Fund Documents, (v) the Reference Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Interests by the Issuer or the Hedging Party or exercises its right to claw back the proceeds already paid on redeemed Fund Interest, as described in the Fund Documents, if in any case it could in the sole determination of the Hedging Party have an adverse impact on the Hedging Party's rights or obligations in relation to its hedging activities in relation to the Securities, (vi) a mandatory redemption, in whole or in part, of the Fund Interest is imposed by the Reference Fund on any one or more Securityholders of Fund Interest at any time for any reason or (vii) the Issuer, the Hedging Party, or any Affiliate thereof, is required by the Reference Fund or Fund Service Provider to redeem any Fund Interest for any reason;
- (K) the aggregate net asset value of the Reference Fund falls below the level of the NAV Barrier;
- (L) a NAV Trigger Event occurs;
- (M) any proposal to wind-up the Reference Fund or the Reference Fund ceases to exist or there exists any litigation against the Reference Fund or the investment adviser, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Interest;
- (N) the currency denomination of the Fund Interest is amended from that set out in the Fund Documents so that the net asset value per Fund Interest is no longer calculated in the same currency as at the Trade Date;

- (O) one or more of the key individuals involved with, or having supervision over, the Reference Fund ceases to act in such capacity, and the investment adviser or the management company or sub-manager, as the case may be, fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (P) one or more changes occurs in respect of the exposure of the Hedging Party, including but not limited to the creation of a leveraged class of Fund Interests Interest, which have or may have a material adverse effect on the Hedging Party's hedging activities in respect of the Securities;
- (Q) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedging Party in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedging Party has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedging Party shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (R) in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Issuer or the Hedging Party to hold (including, without limitation, circumstances requiring the Hedging Party or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Interest or that would subject a Securityholder of the Fund Interest or the Issuer to any loss), purchase or sell any Fund Interest of the Reference Fund or for the Issuer or the Hedging Party to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedging Party of such hedging activities would be materially increased for any reason, or (iii) the Issuer and/or the Hedging Party would be subject to a material loss and, subject as provided below, the Issuer or the Hedging Party has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedging Party shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event; or
- (S) in connection with the hedging activities in relation to the Securities, if the cost to the Issuer or the Hedging Party in relation to the Securities would be materially increased or the Issuer and/or the Hedging Party would be subject to a material loss, in each case following any action or inaction by the Reference Fund, the investment adviser, investment manager or sub-manager relating to the Securities.

3 Consequences of an Extraordinary Fund Event

Following the occurrence of an Extraordinary Fund Event including any Additional Extraordinary Fund Event specified in the relevant Final Terms (a "**Substitution Event**"), the Calculation Agent shall, unless otherwise

specified in the relevant Final Terms, either (i) effect a Substitution (as defined below) if a Substitution Event has occurred or (ii) if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, cancel or redeem, as applicable, the Securities by payment of the Termination Amount on the Termination Date.

(A) **Substitution**

A Substitution Event shall be deemed to have occurred if any of the Extraordinary Fund Events set out in sub-paragraphs (A) to (P) of Fund Product Condition 2 or any Additional Extraordinary Fund Event specified in the relevant Final Terms as being a Substitution Event occurs. Following the occurrence of a Substitution Event in respect of any Fund Interest, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Interest in the relevant Reference Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;
- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, have the option to substitute the relevant Fund Interests with Equities, units or other similar interests in an alternative Reference Fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Reference Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative Reference Fund can be determined pursuant to sub-paragraph (ii) above, use reasonable efforts to substitute the relevant Reference Fund with an index (the “**Replacement Index**”) (or a Reference Fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion which reflects or tracks the performance of one or more hedge funds and may be (but is not obliged to be) a Potential Replacement Index; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above (a “**Substitution**”), in its sole and absolute discretion amend such of the terms of the Fund Product Conditions and/or the relevant Final Terms as it determines to be appropriate to take account of such Substitution.

(B) **Termination**

A “**Termination Event**” shall be deemed to have occurred in respect of any Reference Fund or Fund Equity if any of the Extraordinary Fund Events set out in sub-paragraphs (Q) to (S) of Fund Product Condition 2 or any Additional Extraordinary Fund Event specified in the relevant Final Terms as being a Termination Event occurs. Upon the occurrence of a Termination Event, the Issuer shall cancel or redeem, as appropriate, the Securities on the Termination Date by payment to each Securityholder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with General Condition 12 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

4 **Exchange Traded Funds**

If a Reference Fund is specified in the relevant Final Terms to be an ETF, the Equity Product Conditions contained in Annex 1 shall be deemed to apply to the Certificates, subject as provided in the relevant Final Terms.

References to “Equity” and “Equity Issuer” in the Equity Product Conditions shall be deemed to be references to “Fund Equity” and “Reference Fund” respectively.

In the event of inconsistency between the Equity Product Conditions and the Fund Product Conditions, the Calculation Agent shall determine which of such terms shall prevail acting in good faith and in a commercially reasonable manner.

5 Adjustments, Consequences of Certain Events and Currency in respect of Leveraged Certificates

(A) Fund Adjustment Event

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

“**Fund Adjustment Event**” means:

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

- (vi) **“Dealing Restriction”**: any dealing restrictions (and/or amendments to relevant documentation) related to a Reference Fund and/or transactions by its relevant Fund Manager, Affiliate, agent or intermediary platform through which the Calculation Agent may contract (via a trading agreement or other ancillary document) in order to carry out such transactions;
- (vii) **“Fund Accounting Event”**: any changes in the accounting principles or policies applicable to a Reference Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (viii) **“Fund Bankruptcy”**: the Reference Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Manager is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law or the Reference Fund is subject to any fraud;
- (ix) **“Fund Constitution Breach”**: any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Reference Fund that is, in the determination of the Calculation Agent, material;
- (x) **“Fund Constitution Change”**: any modification of the objects, constitution, conditions, nature, or Fund Rules of a Reference Fund that is, in the determination of the Calculation Agent, material;
- (xi) **“Fund Licence Event”**: the withdrawal, suspension, cancellation or modification of any licence, consent, permit, authorisation or clearance required for the Reference Fund or its Fund Manager to carry out their activities as they are or should be carried out in accordance with the constitutive documents for such Reference Fund as of the Issue Date;
- (xii) **“Fund Regulatory Event”**: any changes in the regulatory treatment applicable to a Reference Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xiii) **“Fund Rules Breach”**: any failure of the Fund Manager of a Reference Fund to comply with any terms set out in the Fund Rules of that Reference Fund;
- (xiv) **“Fund Strategy Breach”**: any failure to observe any of the investment objectives, policies or strategy of a Reference Fund that is, in the determination of the Calculation Agent, material;
- (xv) **“Fund Strategy Change”**: any modification of the investment objectives, policies or strategy of a Reference Fund that is, in the determination of the Calculation Agent, material;
- (xvi) **“Fund Tax Event”**: any changes in the tax treatment applicable to a Reference Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (xvii) **“Hedging Event”**: the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;
- (xviii) **“Investor Tax Event”**: any changes in the regulatory, tax, accounting and/or any other treatment applicable to the Securityholder of Fund Interests, which could have an economic or legal or regulatory impact for such Securityholder;

- (xix) **“Litigation Event”**: the commencement or continuation of litigation involving a Reference Fund, Fund Manager or other service provider of that Reference Fund that is, in the determination of the Calculation Agent, material;
- (xx) **“Management Change”**: the occurrence of any event or the making of any changes affecting the structure of a Reference Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Reference Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Reference Fund, whether immediately or later;
- (xxi) **“Mandatory Disposal”**: any event or circumstance (whether or not imposed by the Reference Fund, or in accordance with the Fund Rules) that obliges the Securityholder of Fund Interests to sell or otherwise dispose of such Fund Interests;
- (xxii) **“Market Event”**: any crisis in the major financial markets such that the holding, trading or managing of an investment in a Reference Fund is impracticable, inadvisable or materially altered;
- (xxiii) **“NAV Suspension”**: suspension of the calculation or publication of the net asset value of a Reference Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Reference Fund;
- (xxiv) **“Performance Failure”**: any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Reference Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Reference Fund;
- (xxv) **“Potential Regulatory Event”**: an investigation into the activities of a Reference Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrongdoing, alleged breach of any rule or regulation, or other similar reason;
- (xxvi) **“Redemption Failure”**: a Securityholder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;
- (xxvii) **“Regulatory Event”**: the winding-up, the closure or the termination of a Reference Fund or the cancellation of the approval or registration of a Reference Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;
- (xxviii) **“Subscription/Redemption Alteration”**: any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Reference Fund;
- (xxix) **“Subscription/Redemption Restriction”**: any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules);
- (xxx) **“Transfer Restriction”**: suspension of, or any restriction on, the ability of a Securityholder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules; or

(xxxii) **“Other Event”**: any other event, whether similar or not to any of the above: (a) which could make it impracticable or impossible for the Calculation Agent to perform its obligations in relation to the Securities and/or hedge its obligations hereunder or unwind a hedge of its obligations hereunder and/or carry out any and all transactions in respect of the Reference Fund for the purpose of the Securities; (b) where the Calculation Agent is unable to acquire or dispose of shares of a Reference Fund; or (c) where there is any default in payment(s) for any amounts owing to the Calculation Agent for the redemption of shares of a Reference Fund by the Fund Manager or any party responsible for making payments in respect of redemption.

6 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the price of the Fund Interest triggers the Knock-in Price or the Knock-out Price, an Extraordinary Fund Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Fund Interest as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Fund Interest triggers the Knock-in Price or the Knock-out Price, an Extraordinary Fund Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Fund Interest as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“Knock-in Determination Day” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“Knock-in Determination Period” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“Knock-in Event” means:

- (i) (in the case of a single Fund Interest) that the price of the Fund Interest determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
 - (ii) (in the case of a Basket of Funds) that the amount determined by the Calculation Agent as equal to the sum of the values of each Fund Interest as the product of (a) the price of such Fund Interest as of the Knock-in Valuation Time on any Knock-in Determination Day, and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Price” means (i) in the case of a single Fund Interest, the price of the Fund Interest or (ii) in the case of a Basket of Funds, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Fund Product Condition 5;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means:

- (i) (in the case of a single Fund Interest) that the price of the Fund Interest determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
 - (ii) (in the case of a Basket of Funds) that the amount determined by the Calculation Agent as equal to the sum of the values of each Fund Interest as the product of (a) the price of such Fund Interest as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable

in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“Knock-out Price” means, in the case of a single Fund Interest, (i) the price of the Fund Interest, or (ii) in the case of a Basket of Funds, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Fund Product Condition 5;

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

7 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms, or if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Fund Interest, the Reference Price, or (ii) in the case of a Basket of Funds, the Basket Price is (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Level” means the price of the Fund Interest specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day

unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Fund Interest as the product of (i) the Reference Price of such Fund Interest on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 3: TERMS AND CONDITIONS OF INDEX LINKED SECURITIES

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

1 Definitions

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

“**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 each date specified as an Averaging Date in the relevant Final Terms, provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). 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, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date), and (2) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities 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 the Averaging Date and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (the “**Affected Index**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Index. If the first succeeding Valid Date in relation to 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, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index, and (2) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

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

“**Basket of Indices**” means a basket composed of the Indices as specified in the relevant Final Terms in the relative proportions or numbers of Indices specified in the relevant Final Terms.

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

“**Component Security**” means each and any component security of any Index.

“**Disrupted Day**” means:

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

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

“**Exchange(s)**” means:

- (A) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system, or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the

securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and

- (B) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, each, in relation to each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day” means:

- (A) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchanges closing prior to its Scheduled Closing Time; and
- (B) 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 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 to effect transactions in, or obtain market values for (A) any Component Security on the Exchange in respect of such Component Security or (B) futures or option contracts relating to the Index on any Related Exchange.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Index” means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly.

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

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

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

“**Index Sponsor**” means, in respect of the Index, the corporation or other entity that (A) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index, and (B) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

“**Market Disruption Event**” means in respect of an Index:

(A) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index:

- (i) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of:
 - (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (1) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (b) any event (other than an event described in paragraph (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

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

- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day, and (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

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

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

- (i) the occurrence or existence, in respect of any Component Security, of:
 - (a) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the

relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

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

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

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

(ii) the occurrence or existence, in each case in respect of futures or option contracts relating to the Index, of (a) a Trading Disruption, or (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange, or (c) an Early Closure.

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

“Multi-Exchange Index” means an Index identified or specified as such in the relevant Final Terms.

“Reference Price” means:

(A) where the Securities 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 Settlement Currency) equal to the official closing value of the Index published by the Index Sponsor on the relevant date (or the value at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) of the Index as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or, 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, the Calculation Agent’s good faith estimate of the level of the Index as of the actual closing time of the Exchange on the relevant date (or the level of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms); and

(B) where the Securities 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 Settlement Currency) equal to the sum of the values calculated for each Index as the official closing level of the Index published by the Index Sponsor on the relevant date (or the level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) of each Index as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, the Calculation Agent’s good faith estimate of the level of the Index as of the

actual closing time of the Exchange on the relevant date (or the level of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms) multiplied by the relevant Weighting.

“Related Exchange” means, in relation to an Index, each exchange or quotation system specified as such in relation to 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 the regular trading session hours.

“Scheduled Trading Day” means:

- (A) where the relevant Index is specified in the 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 session; or
- (B) where the relevant Index is specified in the Final Terms as being a Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of that Index, and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

“Settlement Cycle” means, in respect of an Index, the period of Settlement Business Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or if such Index is a Composite Index, the longest such period in respect of a relevant Exchange).

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

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

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted

Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or

- (B) where the Securities 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 the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day.

“**Valuation Time**” means:

- (A) 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 the 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
- (B) where the relevant Index is not specified in the relevant Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred (x) in respect of a Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments to an Index and Additional Disruption Events

- (A) Successor Index Sponsor Calculates and Reports an Index

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

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

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

- (a) the Calculation Agent will determine if such Index Adjustment Event has a material effect on the Securities and, if so, to calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
 - (b) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all, but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.
- (C) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
- (i) the Calculation Agent will determine, in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the 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
 - (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Securityholders in accordance with General Condition 12 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (D) Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice, as soon as practicable, to the Securityholders in accordance with General Condition 12 giving details of the action proposed to be taken in relation thereto.
- (E) Correction of the Reference Price

In the event that any price or level published by the Index Sponsor which is utilised for any calculation or determination made under the Securities is subsequently corrected, the Calculation Agent will, in its sole and absolute discretion, adjust the terms of the Securities to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options

contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange or, if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Settlement Date or Redemption Date, as applicable, or relevant Interest Payment Date to make such adjustment prior to the Settlement Date or Redemption Date, as applicable, or relevant Interest Payment Date, as the case may be.

3 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the level of the Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
 - (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent as equal to the sum of the values of each Index as the product of (a) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day, and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Level as specified in the relevant Final Terms;

“**Knock-in Level**” means (i) in the case of a single Index, the level of the Index or (ii) in the case of a basket of Indices, the level, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Product Condition 2;

“**Knock-in Period Beginning Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Period Ending Date**” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“**Knock-in Valuation Time**” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“**Knock-out Determination Day**” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“**Knock-out Determination Period**” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“**Knock-out Event**” means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
 - (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent as equal to the sum of the values of each Index as the product of (a) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-out Level as specified in the relevant Final Terms;

“**Knock-out Level**” means, in the case of a single Index, (i) the level of the Index, or (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Product Condition 2;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

4 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or, if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Security and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Index, the Reference Price, or (ii) in the case of a Basket of Indices, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than”, or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Level” means the level of the Index specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply

mutatis mutandis as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Index as the product of (i) the Reference Price of such Index on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 4: TERMS AND CONDITIONS OF COMMODITY LINKED SECURITIES

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

1 Definitions

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

“**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 each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Commodity, the Averaging Date shall be the first succeeding Valid Date (as defined below). 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, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date) and (2) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities are specified in the relevant Final Terms to relate to a Basket of Commodities, the Averaging Date for each Commodity not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as the Averaging Date and the Averaging Date for each Commodity affected by the occurrence of a Disrupted Day (the “**Affected Commodity**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Commodity. If the first succeeding Valid Date in relation to the Affected Commodity 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, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Commodity, and (2) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

- (iii) “**Valid Date**” shall mean the Schedule 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 of Commodities**” means a basket composed of the Commodities specified in the relevant Final Terms in the relative proportions or numbers of Commodities specified in the relevant Final Terms.

“**Basket of Commodity Indices**” means a basket composed of the Commodity Indices specified in the relevant Final Terms in the relative proportions or numbers of Commodity Indices specified in the relevant Final Terms.

“**Bullion**” means Gold, Silver, Platinum or Palladium, as the case may be.

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

“**Bullion Reference Dealers**” means, with respect to any Bullion for which the relevant Commodity Reference Price is “Commodity Reference Dealers”, the four major dealers that are the members of the LBMA specified in the relevant Final Terms or, if no such Bullion Reference Dealers are specified, as selected by the Calculation Agent, in each case, acting through their principal London offices.

“**Calculation Agent Determination**” means that the Calculation Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**Change in Law**” means that on or after the Trade Date of any Securities (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 (including, without limitation, the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (i) it has become illegal to hold, acquire or dispose of the Commodity or to enter into transactions on or relating to the Commodity (including, without limitation, futures contracts), or (ii) it will incur a materially increased cost in performing its obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“**Commodity**” means commodities or commodity prices, as specified in the relevant Final Terms.

“**Commodity Business Day**” means (i) in respect of a Commodity (provided the Commodity is not Bullion), if the Relevant Commodity Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading services, notwithstanding any such Exchange closing prior to its Scheduled Closing Time, and (ii) in respect of Commodity (provided the Commodity is not Bullion) if the Relevant Commodity Price is not a price announced or published by an Exchange, a day in respect of which the

relevant Price Source published (or, but for the occurrence of a Market Disruption Event would have published) a price.

“Commodity Index” means an index comprising various commodities or commodity prices, as specified in the relevant Final Terms.

“Commodity Reference Dealers” means that the price for a Pricing Date will be determined on the basis of quotations provided by Reference Dealers or Bullion Reference Dealers, as applicable, on that Pricing Date of that day’s Specified Price for a unit of the relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that Pricing Date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer or Bullion Reference Dealer, as applicable, without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that Pricing Date will be the Specified Price provided by the relevant Reference Dealer or Bullion Reference Dealer, as applicable, that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for the Pricing Date cannot be determined.

“Commodity Reference Price” means (A) in respect of all Commodities, an amount equal to the reference price or spot price for the Specified Commodity specified in the relevant Final Terms, and (B), in respect of a Commodity Index, the Commodity Reference Price specified in the relevant Final Terms or, if not so specified, the official closing level of such Commodity Index.

“Delayed Publication or Announcement” means, in respect of the Affected Commodity, that the Relevant Commodity Price for the relevant Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day or Bullion Business Day, as applicable, on which the relevant Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Commodity Price continues to be unavailable for two consecutive Commodity Business Days or Bullion Business Days, as applicable. In that case, the next Disruption Fallback specified in the relevant Final Terms will apply.

If, as a result of a delay pursuant to Delayed Publication or Announcement, a Relevant Commodity Price is unavailable to determine the Relevant Commodity Price by the date falling two Business Days prior to the Scheduled Settlement Date or Scheduled Redemption Date, as applicable, then the Settlement Date or Redemption Date, as applicable, will be delayed by the same number of Commodity Business Days or Bullion Business Days, as applicable, as was the determination of each Relevant Commodity Price, provided that the Settlement Date or Redemption Date, as applicable, shall not be any earlier than the second Business Day after the date that the Relevant Commodity Price of the Affected Commodity is determined in accordance with the provisions hereof.

“Delivery Date” means, in respect of a Relevant Commodity Price, the Nearby Month of expiration of the relevant Futures Contract or the relevant date or month for delivery of the underlying (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (A) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year;

- (B) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract; and
- (C) if a method is specified for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method,

in each case as determined by the Calculation Agent.

“Disappearance of Relevant Commodity Price” means (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange, (B) the disappearance of, or of trading in, the relevant Commodity, or (C) the disappearance or permanent discontinuance or unavailability of the relevant Relevant Commodity Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

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

“Disruption Fallback” means any of Fallback Reference Dealers, Fallback Reference Price, Postponement, Calculation Agent Determination and Delayed Publication or Announcement, specified to be applicable in the relevant Final Terms and in the order specified in the relevant Final Terms.

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

“Exchange” means, in respect of a Specified Commodity, the exchange or principal trading market specified in the definition of Commodity Reference Price in the relevant Final Terms.

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

“Exchange Rate” means the Exchange Rate specified in the relevant Final Terms.

“Fallback Reference Dealers” means that the Relevant Commodity Price, in respect of an Affected Commodity, will be determined in accordance with Commodity Reference Dealers.

“Fallback Reference Price” means that the Calculation Agent will determine the Relevant Commodity Price, in respect of an Affected Commodity, based on the price for the relevant Pricing Date of the first alternate Relevant Commodity Price, if any, specified in the relevant Final Terms and not subject to a Market Disruption Event.

“Futures Contract” means, in respect of any Relevant Commodity Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Relevant Commodity Price.

“Gold” means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

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

and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Index Sponsor” means, in relation to a Commodity Index, the corporation or other entity that (A) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index, and (B) announces (directly or through an agent) the level of such Commodity Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.

“Initial Fixing Date” means the Initial Fixing Date specified in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day.

“LBMA” means the London Bullion Market Association or its successor.

“LPPM” means the London Platinum and Palladium Market or its successor.

“Market Disruption Event” means, in respect of a Commodity, the occurrence or existence of (A) a Price Source Disruption, (B) a Trading Disruption, (C) a Disappearance of Relevant Commodity Price, (D) a Tax Disruption, (E) a Material Change in Content or a Material Change in Formula, at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or (F) an Early Closure.

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

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

“Maximum Days of Disruption” means the consecutive Maximum Number of Days of Disruption, as specified in the relevant Final Terms, or, if not so specified, two Commodity Business Days or, in the case of Bullion, Bullion Business Days (measured from and including the original day that would have been the relevant Pricing Date).

“Nearby Month” when preceded by a numerical adjective, means, in respect of a Delivery Date and/or Pricing Date, as applicable, the month of expiration of the Futures Contract identified by that numerical adjective, so that: (A) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that date, and (B) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that date; and, for example (C) **“Sixth Nearby Month”** means the month of expiration of the sixth Futures Contract to expire following that date.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

“Platinum” means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

“Postponement” means, with respect to the Commodity, that the relevant Pricing Date will be deemed, for the purposes of the application of Disruption Fallback, to be the first succeeding Commodity Business Day, or Bullion Business Day, as applicable, on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days, or Bullion Business Day, as applicable, (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next applicable Disruption Fallback specified in the relevant Final Terms will apply. If, as a result of a postponement pursuant to this provision, a Relevant Commodity Price is unavailable to determine the Reference Price by the date falling two Business Days prior to the Settlement Date or Redemption Date, as applicable, then the Settlement Date or Redemption Date, as applicable, will be postponed by the same number of Commodity Business Days, or Bullion Business Days, as applicable, as was the determination of each Relevant Commodity Price, provided that the Settlement Date or Redemption Date, as applicable, shall not be any earlier than the second Business Day after the date that the Relevant Commodity Price of the Affected Commodity is determined in accordance with the provisions of these Commodity Product Conditions.

“Price Materiality Percentage” means the percentage, if any, specified in the relevant Final Terms.

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

“Price Source Disruption” means, in respect of the Commodity, (A) the failure of the relevant Price Source to announce or publish the relevant Relevant Commodity Price (or the information necessary for determining the Relevant Commodity Price of such Commodity), (B) the temporary or permanent discontinuance or unavailability of the Price Source, (C) if the Relevant Commodity Price is specified as “Commodity Reference Dealers”, the failure to obtain at least three quotations as requested from the relevant Reference Dealers, or (D) if a Price Materiality Percentage is specified in the relevant Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price “Commodity Reference Dealers” by such Price Materiality Percentage.

“Pricing Date” means the Initial Fixing Date and any Valuation Date or any Averaging Date.

“Reference Dealers” means the four leading dealers in the relevant market selected by the Calculation Agent.

“Reference Price” means, for any Pricing Date, the price, expressed as a price per unit determined with respect to that day for the specified Commodity Reference Price.

“Relevant Commodity Price” means:

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Commodity, an amount equal to the price determined on any day for the specified Commodity Reference Price on the relevant date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price. The amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Relevant Commodity Price; and
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Commodities, an amount equal to the sum of the prices determined for the specified Commodity Reference Prices as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for

the specified Commodity Reference Price shall be the Calculation Agent's good faith estimate of the price for the specified Commodity Reference Price, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Relevant Commodity Price.

"Relevant Currency" means the lawful currency of any country in which the Specified Price is expressed.

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

"Scheduled Redemption Date" means a day that would have been a Redemption Date, but for the occurrence of delay pursuant to Delayed Publication or Announcement.

"Scheduled Settlement Date" means a day that would have been a Redemption Date, but for the occurrence of delay pursuant to Delayed Publication or Announcement.

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

"Silver" means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

"Specified Commodity" means the commodity or commodity future specified in the relevant Final Terms.

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

"Strike Price" means the price (if any) specified as such in the relevant Final Terms.

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar Tax on, or measured by reference to, the relevant Commodity or Futures Contract (other than a Tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Commodity Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

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

- (A) a suspension of the trading in the relevant Futures Contract or the Commodity on any Commodity Business Day or Bullion Business Day, as applicable, shall be deemed to be material only if:
 - (i) all trading in the relevant Futures Contract or Specified Commodity is suspended for the entire Pricing Date; or
 - (ii) all trading in the relevant Futures Contract or Specified Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly

scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (B) a limitation of trading in the relevant Futures Contract or the Commodity, on any Commodity Business Day or Bullion Business Day, as applicable, shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract or the Commodity may fluctuate and the closing or settlement price of the relevant Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“**unit**” means, in respect of these Commodity Product Conditions, the unit of measure of the relevant Commodity as specified for the relevant Commodity Reference Price or otherwise in the relevant Final Terms.

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Commodity, the Valuation Date shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (an “**Affected Commodity**”); or
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Commodities, the Valuation Date for each Commodity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Commodity affected by the occurrence of a Disrupted Day shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (each an “**Affected Commodity**”).

“**Valuation Time**” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Commodity to be valued or such other time specified in the relevant Final Terms. In each case, if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

- (A) Additional Disruption Events, Adjustments for Currency, Correction of Relevant Commodity Price and Adjustments to a Commodity Index
 - (i) 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 Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the Final Terms, and/or remove and/or substitute the affected Commodity, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (b) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but

not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Securityholders in accordance with General Condition 12 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.

(ii) Adjustments for Commodity Linked Securities in respect of Commodities quoted in European Currencies

In respect of Commodity Linked Securities relating to Commodities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Commodities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange and/or Price Source, then the Calculation Agent will adjust any one or more of the Reference Price, and/or Strike Price and/or Weightings and/or any of the other terms of these General 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 Securities. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Commodity Product Condition 2 will affect the currency denomination of any payment obligation arising out of the Securities.

(iii) Correction of Relevant Commodity Price

If the Calculation Agent determines, in respect of any Relevant Commodity Price, that the price published or announced and used or to be used by the Calculation Agent is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement the Calculation Agent will determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and whether any adjustment to the General Conditions is required to account for such correction. If the Calculation Agent determines that an adjustment to the General Conditions is required, the Issuer will, as soon as reasonable practicable, adjust the General Conditions to account for such correction.

(iv) Adjustments to a Commodity Index

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

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

(b) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index, then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i), (ii) and (iii) to be collectively referred to as “**Commodity Index Adjustment Events**”) calculate the Commodity Reference Price using in lieu of the published price or level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Commodity Index Adjustment Event, but using only those futures contracts that composed that Commodity Index immediately prior to the relevant Commodity Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(v) Corrections to a Commodity Index

If the price or level of a relevant Commodity Index published on any Pricing Date (or, if different, the day on which the price or level for that Pricing Date would, in the ordinary course, be published by the Price Source) by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Securities (a “**Relevant Calculation**”) is subsequently corrected and the correction (the “**Corrected Commodity Index Level**”) published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation, then such Corrected Commodity Index Level shall be deemed to be the relevant level for such Commodity Index on such Pricing Date (or, if different, the day on which the price or level for that Pricing Date would, in the ordinary course, be published by the Price Source) and the Calculation Agent shall use such Corrected Commodity Index Level in determining the relevant price or level.

3 Knock-in Event and Knock-out Event

- (B) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (C) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins and/or ends at the Valuation Time the price of the Specified Commodity triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-

out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Specified Commodity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.

- (E) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Specified Commodity triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Specified Commodity as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”..

- (F) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“Knock-in Determination Day” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“Knock-in Determination Period” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“Knock-in Event” means:

- (i) (in the case of a single Commodity) that the price of the Specified Commodity determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Commodities) that the amount determined by the Calculation Agent as equal to the sum of the values calculated for each Specified Commodity as the product of (a) the price of the Specified Commodity as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Price” means (i) in the case of a single Commodity, the Reference Price, or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the

relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Product Condition 2;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means

- (i) (in the case of a single Commodity), that the price of the Specified Commodity determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Commodities), that the amount determined by the Calculation Agent as equal to the sum of the values for each Specified Commodity as the product of (a) the price of the Specified Commodity as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Price” means (i) in the case of a single Commodity, the Reference Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Product Condition 2; and

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

4 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then, unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date

upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or, if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Commodity, the Reference Price or (ii) in the case of a Basket of Commodities, the Basket Price is, (a) “greater than”, (b) “greater than or equal to”, (c) “less than”, or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Price” means the price per Specified Commodity specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“Basket Price” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Specified Commodity as the product of (i) the Reference Price of such Specified Commodity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 5: TERMS AND CONDITIONS OF CURRENCY LINKED SECURITIES

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

1 Definitions

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

“**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 each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Subject Currency, the Averaging Date shall be the first succeeding Valid Date (as defined below). 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, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date), and (2) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities are specified in the relevant Final Terms to relate to a Basket of Currencies, the Averaging Date for each Subject Currency not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as the Averaging Date and the Averaging Date for each Subject Currency affected by the occurrence of a Disrupted Day (the “**Affected Subject Currency**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Subject Currency. If the first succeeding Valid Date in relation to the Affected Subject Currency 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, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Subject Currency, and (2) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

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

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

“**Basket of Currencies**” means a basket composed of the Subject Currencies specified in the relevant Final Terms in the relative proportions or numbers of Subject Currencies specified in the relevant Final Terms.

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

“**Disrupted Day**” means any Scheduled Trading Day on which the Calculation Agent determines that a Market Disruption Event has occurred.

“**Dual Exchange Rate**” means that any of the Base Currency, Subject Currency and/or Subject Currencies splits into dual or multiple currency exchange rates.

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

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

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

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

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

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

The Funding Cost may be a negative number.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Illiquidity Disruption” means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Securities (in one or more transaction(s)) on the relevant date (or, if different, the day on which rates for such date would, in the ordinary course, be published or announced by the relevant price source).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Market Disruption Event” means, in respect of a Subject Currency, the occurrence of (A) a Trading Disruption or (B) a Price Source Disruption, which in each case the Calculation Agent determines, in its sole discretion, is material, at any time during the one-hour period that ends at the relevant Valuation Time as the case may be.

“Price Source” means, in respect of a Subject Currency, the price source(s) specified in the relevant Final Terms for such Subject Currency or if the relevant rate is not published or announced by such Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“Price Source Disruption” means it becomes impossible or otherwise impractical to obtain and/or execute the relevant rate or rates required to calculate the Reference Price.

“Reference Price” means:

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates

(expressed as aforesaid) at the Valuation Time on the relevant date of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent); or

- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic average (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant date of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting.

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

“**Scheduled Trading Day**” means a day on which the commercial banks are open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies.

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

“**Trading Disruption**” means any suspension of or limitation imposed on trading in the rate(s) required to calculate the relevant Reference Price in the interbank market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Subject Currency, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Subject Currency affected by the occurrence of a Disrupted Day (each an “**Affected Subject Currency**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Subject Currency unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Subject Currency. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Subject Currency, notwithstanding the fact that such day is a Disrupted Day.

“**Valuation Time**” means 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 Subject Currency to be valued. If the relevant exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

(A) Additional Disruption Events

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:

- (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the Final Terms, and/or remove and/or substitute the Affected Subject Currency, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

(B) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Currency Product Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Currency Product Conditions as it deems necessary. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 12.

(C) Corrections of Subject Currency

If the Calculation Agent determines, in respect of the Subject Currency, that the rate published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Securities is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement, the Calculation Agent will determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and, whether any adjustment to the General Conditions is required to account for such correction. If the Calculation Agent determines that an adjustment to the General Conditions is required, the Issuer may, as soon as reasonably practicable, adjust the General Conditions to account for such correction.

3 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the value of the Subject Currency triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the value of the Subject Currency as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the value of the Subject Currency triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the value of the Subject Currency as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“Knock-in Determination Day” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“Knock-in Determination Period” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“Knock-in Event” means:

- (i) (in the case of a single Subject Currency), that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Subject Currencies), that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (a) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Level as specified in the relevant Final Terms;

“Knock-in Level” means (i) in the case of a single Subject Currency, the value of the Subject Currency, or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in

the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means:

- (i) (in the case of a single Subject Currency), that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (a) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-out Level as specified in the relevant Final Terms;

“Knock-out Level” means (i) in the case of a single Subject Currency, the value of the Subject Currency, or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

4 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early

Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Subject Currency, the Reference Price, or (ii) in the case of a Basket of Currencies, the Basket Price is (a) “greater than”, (b) “greater than or equal to”, (c) “less than”, or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Level” means the price of the Subject Currency specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Currency Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“Basket Price” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Subject Currency as the product of (i) the Reference Price of such Subject Currency on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

ANNEX 6: TERMS AND CONDITIONS OF DEBT LINKED SECURITIES

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

1 Definitions

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

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

“**Averaging Date**” means each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and if:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Underlying Debt Security, the Averaging Date shall be the first succeeding Valid Date (as defined below). 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, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date) and (2) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities are specified in the relevant Final Terms to relate to a Basket of Underlying Debt Securities, the Averaging Date for each Underlying Debt Security not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as the Averaging Date and the Averaging Date for each Underlying Debt Security affected by the occurrence of a Disrupted Day (the “**Affected Underlying Debt Security**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Underlying Debt Security. If the first succeeding Valid Date in relation to the Affected Underlying Debt Security 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, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Underlying Debt Security, and (2) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

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

“Basket of Underlying Debt Securities” means a basket composed of the Underlying Debt Securities specified in the relevant Final Terms and in the relative proportions specified in the relevant Final Terms.

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

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

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

“Exchange” means, in relation to a Underlying Debt Security, the exchange or quotation system specified as such in the relevant Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Debt Security has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Debt Security 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 is open for trading during its respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

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

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

performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Market Disruption Event” means, in relation to Securities relating to a single Underlying Debt Security or a Basket of Underlying Debt Securities, in respect of a Underlying Debt Security the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (C) an Early Closure.

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

“Nominal Amount” means the amount specified as such in the relevant Final Terms.

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

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

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

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

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

“Reference Price” means:

- (A) in the case of Debt Linked Certificates relating to a Basket of Underlying Debt Securities, an amount equal to the sum of the values calculated for each Underlying Debt Security at the bid price for such Underlying Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Underlying Debt Security appearing on the Relevant Screen Page at the Valuation Time on the relevant date or if such price is not available, the arithmetic mean of the bid prices for such Underlying Debt Security at the Valuation Time on such relevant date as received by it from two or more market-makers (as selected by the Calculation Agent) in such Underlying Debt Security, such

bid prices to be expressed as a percentage of the nominal amount of such Underlying Debt Security, multiplied by the relevant Weighting; and

- (B) in the case of Debt Linked Certificates relating to a single Underlying Debt Security, an amount equal to the bid price for the Underlying Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Underlying Debt Security appearing on the Relevant Screen Page at the Valuation Time on the relevant date or if such price is not available, the arithmetic mean of the bid prices for such Underlying Debt Security at the Valuation Time on such relevant date as received by it from two or more market-makers (as selected by the Calculation Agent) in such Underlying Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Underlying Debt Security.

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

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Underlying Debt Securities on the Exchange.

“Underlying Debt Security” means the underlying debt security specified as such in the relevant Final Terms.

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Underlying Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Underlying Debt Securities, the Valuation Date for each Underlying Debt Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Debt Security affected by the occurrence of a Disrupted Day (each an **“Affected Underlying Debt Security”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Underlying Debt Security unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Underlying Debt Security. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Underlying Debt Security, notwithstanding the fact that such day is a Disrupted Day.

“Valuation Time” means 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 Underlying Debt Security to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time

and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments, Consequences of Certain Events and Currency

(A) Additional Disruption Events

If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:

- (i) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the Final Terms, and/or remove and/or substitute the affected Underlying Debt Security, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Securityholders in accordance with General Condition 12 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(B) Currency

If the Calculation Agent determines that any event occurs affecting a currency (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Debt Product Conditions (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Debt Product Conditions as it deems necessary. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 12.

(C) Corrections

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

an adjustment to the General Conditions is required, the Issuer will, as soon as reasonable practicable, adjust the General Conditions to account for such correction.

3 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Securities which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the price of the Underlying Debt Security triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Underlying Debt Security as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Underlying Debt Security triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Underlying Debt Security as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means:

- (i) (in the case of a single Underlying Debt Security) that the price of the Underlying Debt Security determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or

(ii) (in the case of a Basket of Underlying Debt Securities) that the amount determined by the Calculation Agent as equal to the sum of the values of each Underlying Debt Security as the product of (a) the price of such Underlying Debt Security as of the Knock-in Valuation Time on any Knock-in Determination Day, and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Price” means (i) in the case of a single Underlying Debt Security, the price of the Underlying Debt Security or (ii) in the case of a Basket of Underlying Debt Securities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Debt Product Condition 2;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means:

(i) (in the case of a single Underlying Debt Security) that the price of the Underlying Debt Security determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(ii) (in the case of a Basket of Underlying Debt Securities) that the amount determined by the Calculation Agent as equal to the sum of the values of each Underlying Debt Security as the product of (a) the price of such Underlying Debt Security as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,

(1) “greater than”, (2) “greater than or equal to”, (3) “less than”, or (4) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the

relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

“Knock-out Price” means, in the case of a single Underlying Debt Security, (i) the price of the Underlying Debt Security, or (ii) in the case of a Basket of Underlying Debt Securities, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Debt Product Condition 2;

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

4 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Underlying Debt Security, the Reference Price, or (ii) in the case of a Basket of Underlying Debt Securities, the Basket Price is (a) “greater than”, (b) “greater than or equal to”, (c) “less than” or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Level” means the price of the Underlying Debt Security specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in these Fund Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“Basket Price” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent as equal to the sum of the values for each Underlying Debt Security as the product of (i) the Reference Price of such Underlying Debt Security on such Automatic Early Redemption Valuation Date, and (ii) the relevant Weighting.

ANNEX 7: TERMS AND CONDITIONS OF FUTURES LINKED SECURITIES

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

1 Definitions

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

“**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 each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date is a Disrupted Day and Disrupted Day is specified as “Applicable” in the relevant Final Terms, and:

- (A) if “**Omission**” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for the purposes of determining the relevant Reference Price. If through the operation of this provision there would not be an Averaging Date, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price for the final Averaging Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (B) if “**Postponement**” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purposes of determining the relevant Reference Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (C) if “**Modified Postponement**” is specified in the relevant Final Terms, then:
 - (i) where the Securities are specified in the relevant Final Terms to relate to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). 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, then (1) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such eighth Scheduled Trading Day is already an Averaging Date), and (2) the Calculation Agent shall, where practicable, determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”;
 - (ii) where the Securities are specified in the relevant Final Terms to relate to a Basket of Futures, the Averaging Date for each Future not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as the Averaging Date and the Averaging Date for each Future affected by the occurrence of a Disrupted Day (the “**Affected Future**”) shall be the first succeeding Valid Date (as defined below) in relation to such Affected Future. If the first succeeding Valid Date in relation to the Affected Future 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, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Future, and (2) the Calculation Agent shall determine the relevant Reference Price for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

- (iii) “**Valid Date**” shall mean the Schedule 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 of Futures**” means a basket composed of each Future specified in the relevant Final Terms in the relative weightings specified in the relevant Final Terms.

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

“**Clearance System**” means the principal domestic clearance system customarily used for settling trades in the relevant Future(s).

“**Clearance System Business Days**” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security, would have been) open for the acceptance and execution of settlement instructions.

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

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

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

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

“Exchange Business Day” means any Scheduled Trading Day on which the relevant Exchange is open for trading during its regular trading sessions, notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time.

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

“Futures” means, subject to adjustments in accordance with this Futures Product Condition, in the case of an issue of Securities relating to a single Future, the futures contract and, in the case of an issue of Securities relating to a Basket of Futures, each futures contract specified in the relevant Final Terms, and related expressions shall be construed accordingly.

“Hedging Disruption” means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of Tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or other price risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Market Disruption Event” means, in relation to Securities relating to a single Future or Basket of Futures, in respect of a Future the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption which in each case the Calculation Agent determines in its sole discretion is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (C) an Early Closure.

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

“Scheduled Trading Day” means any day on which the relevant Exchange(s) is scheduled to be open for trading for its regular trading sessions.

“Settlement Cycle” means, in respect of a Future, the period of Clearance System Business Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange.

“Reference Price” means:

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Future, an amount equal to the official closing price on the relevant date (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Future quoted on the relevant Exchange or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent’s good faith estimate of the value of the Future as of the actual closing time of the Exchange on the relevant date (or the value of the Future at the Valuation Time on

the relevant date, if Valuation Time is specified in the relevant Final Terms). The amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount shall be the Reference Price; or

- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Futures, an amount equal to the sum of the values calculated for each Future as the official closing price on the relevant date (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Futures quoted on the relevant Exchange or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined, the Calculation Agent's good faith estimate of the value of the Futures as of the actual closing time of the Exchange on the relevant date (or the value of the Futures at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the relevant Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Future(s) on the Exchange.

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

- (A) where the Securities are specified in the relevant Final Terms to relate to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (B) where the Securities are specified in the relevant Final Terms to relate to a Basket of Futures, the Valuation Date for each Future not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Future affected by the occurrence of a Disrupted Day (each an **"Affected Future"**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Futures unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Futures. In that case, the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Futures, notwithstanding the fact that such day is a Disrupted Day.

"Valuation Time" means 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 Future to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2 Adjustments

- (A) Futures Modification, Futures Replacement or Futures Delisting

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

- (i) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine whether such Futures Modification or Futures Replacement has a material effect on the Securities and, if so, shall use the Future(s) so modified or substitute Future(s) in lieu of the initial Future(s) for the purpose of making a determination under the Securities; or
- (ii) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount, in respect of a redemption.

(B) Notice

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

3 Change of Exchange

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

4 Price Correction

In the event that any price or level published on an Exchange and which is utilised for any calculation for three Business Days (or such other period as may be specified in the Final Terms) after the Calculation Agent has the right, but not the obligation, to determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer may adjust the Futures Product Conditions to account for such correction. The price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date or Redemption Date, as applicable, will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

5 Currency

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

The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 12.

6 Additional Disruption Events

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

The Issuer shall give notice of any determination pursuant to this paragraph to Securityholders in accordance with General Condition 12. 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 the Relevant Assets and/or Entitlement and/or Exercise Price and/or Weighting and/or any of the other terms of these General Conditions and/or the Final Terms, and/or remove and/or substitute the affected Futures, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (B) by giving notice to the Securityholders in accordance with General Condition 12, the Issuer, in its sole and absolute discretion, may cancel or redeem, as applicable, all but not some only, of the Securities. If the Issuer cancels or redeems, as applicable, the Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the Cancellation Amount, in respect of a cancellation, or the Early Redemption Amount in respect of a redemption.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Securityholders in accordance with General Condition 12 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.

7 Change in Currencies

If, at any time after the Issue Date of the Securities, there is any change in the currency in which the Future is quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the Futures Product Conditions as the Calculation Agent determines appropriate to preserve the economic terms of the Securities. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent

prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Securities.

The Issuer shall give notice to the Securityholders of any such adjustment in accordance with General Condition 12.

8 Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the relevant Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one-hour period that begins and/or ends at the Valuation Time the price of the Future triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the relevant Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the price of the Future triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Future as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of “Valuation Date”.
- (E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the relevant Final Terms:

“**Knock-in Determination Day**” means the date(s) specified as such in the relevant Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period;

“**Knock-in Determination Period**” means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

“**Knock-in Event**” means:

- (i) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
 - (ii) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent as equal to the sum of the values of each Future as the product of (a) the price of such Future as of the Knock-in Valuation Time on any Knock-in Determination Day and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-in Price as specified in the relevant Final Terms;

“Knock-in Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-in Price” means (i) in the case of a single Future, the price of the Future or (ii) in the case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Product Condition 2;

“Knock-in Valuation Time” means the time or period of time on any Knock-in Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

“Knock-out Determination Day” means the date(s) as specified in the relevant Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period;

“Knock-out Determination Period” means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

“Knock-out Event” means:

- (i) (in the case of a single Future) that the price of the Future determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
 - (ii) (in the case of a Basket of Futures) that the amount determined by the Calculation Agent as equal to the sum of the values of each Future as the product of (a) the price of such Future as of the Knock-out Valuation Time on any Knock-out Determination Day and (b) the relevant Weighting is,
- (1) “greater than”, (2) “greater than or equal to”, (3) “less than” or (4) “less than or equal to” the Knock-out Price as specified in the relevant Final Terms;

“Knock-out Period Beginning Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Period Ending Date” means the date specified as such in the relevant Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the relevant Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

“Knock-out Price” means, in the case of a single Future, (i) the price of the Future or (ii) in the case of a Basket of Futures, the price, in each case specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Product Condition 2; and

“Knock-out Valuation Time” means the time or period of time on any Knock-out Determination Day specified as such in the relevant Final Terms or, in the event that the relevant Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

9 Automatic Early Redemption in respect of Certificates

- (A) If “Automatic Early Redemption Event” is specified as applicable in the relevant Final Terms, then unless previously redeemed, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (B) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the relevant Final Terms:

“Automatic Early Redemption Amount” means (i) an amount in the Settlement Currency specified in the relevant Final Terms or if such amount is not specified, (ii) the product of (a) the Specified Denomination in respect of each Certificate and (b) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

“Automatic Early Redemption Date” means each date specified as such in the relevant Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms;

“Automatic Early Redemption Event” means that (i) in the case of a single Future, the Reference Price or (ii) in the case of a Basket of Futures, the Basket Price is (a) “greater than”, (b) “greater than or equal to”, (c) “less than”, or (d) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

“Automatic Early Redemption Price” means the price per Future specified as such or otherwise determined in the relevant Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Futures Product Conditions;

“Automatic Early Redemption Rate” means, in respect of any Automatic Early Redemption Date, the rate specified as such in the relevant Final Terms;

“Automatic Early Redemption Valuation Date” means each date as specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply

mutatis mutandis as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”; and

“**Basket Price**” means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent as equal to the sum of the values for each Future as the product of (i) the Reference Price of such Future on such Automatic Early Redemption Valuation Date, and (ii) the relevant Weighting.

FORM OF FINAL TERMS FOR LEVERAGED CERTIFICATES

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

FINAL TERMS

DATED [●]

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.
(RABOBANK STRUCTURED PRODUCTS)**

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

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

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) 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 Securities in any other circumstances].⁵

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities 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 Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]⁶

⁵ Consider including this legend where a non-exempt offer of the Securities is anticipated.

⁶ Consider including this legend where only an exempt offer of the Securities is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities, including Annexes 1 to 7 thereto, (“**Conditions**”) set forth in the Base Prospectus dated 27 October 2011[and the Base Prospectus supplement dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Leveraged Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus[, as so supplemented]. 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 Base Prospectus[, as so supplemented]. The Securities will be issued on the terms of these Final Terms read together with the Base Prospectus[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus[, as so supplemented], contains all information that is material in the context of the issue of the Leveraged Certificates. The Base Prospectus [and the Base Prospectus supplement][is][are] available for viewing during normal business hours and may be obtained from Rabobank International. Copies of the Base Prospectus may be obtained from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).

(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 17) was issued under an Base Prospectus with an earlier date)

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in Section A of the Base Prospectus dated [24 September 2009][27 October 2010][and the Base Prospectus supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Base Prospectus dated 27 October 2011. 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 Base Prospectus dated 27 October 2011[and the Base Prospectus supplement dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 27 October 2011[, as so supplemented] and the Conditions. The Base Prospectus [and the Base Prospectus supplement][is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).]

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Securities other than the Securities to which they relate or an offer to sell or the solicitation of an offer to buy Securities 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 Securities 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 Securities, see “*Subscription and Sale*” in the Base Prospectus as supplemented or amended by these Final Terms.

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

The purchase of Securities may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and

the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of Securities 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 Base Prospectus, as supplemented from time to time.

[A [Dutch][French][Specify other] language description of the principal terms of the Securities 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 Base Prospectus under Article 16 of the Prospectus Directive.)

GENERAL DESCRIPTION OF THE SECURITIES

- | | | |
|----|--|---|
| 1 | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2 | [(a)] Series number: | [●] |
| | (b) [Tranche: | [●]] <i>(Delete if not fungible with an existing issue)</i> |
| 3 | Consolidation: | [The Securities issued pursuant to these Final Terms will be consolidated and form a single series with [●] <i>(insert title of original series)</i> , issued pursuant to Final Terms dated [●], with effect from [●]] <i>(include if fungible with an existing issue)</i> /[Not Applicable] |
| 4 | Type of Securities: | Leveraged Certificates |
| 5 | (a) The type of Leveraged Certificate which may be: | [Equity Linked Leveraged Certificates]/[Fund Linked Leveraged Certificates]/[Index Linked Leveraged Certificates]/[Commodity Linked Leveraged Certificates]/[Currency Linked Leveraged Certificates]/[Debt Linked Leveraged Certificates]/[Futures Linked Leveraged Certificates] <i>(Delete as applicable)</i> |
| | (b) Whether Leveraged Certificates are Long or Short Leveraged Certificates: | [Short]/[Long] <i>(Fund Leveraged Certificates will be Long only) (Delete as applicable)</i> |
| 6 | Number of Securities being issued: | [●] |
| 7 | Issue price Security: | [●] per Security |
| 8 | Settlement Currency: | [●] |
| 9 | Trade Date: | [●] |
| 10 | Issue Date: | [●] |
| 11 | Current Financing Level on the Trade Date: | [●] |
| 12 | Current Spread on the Trade Date: | [●] |
| 13 | Maximum Spread: | [●] |

| | | |
|----|--|--|
| 14 | Current Stop Loss Premium Rate on the Trade Date: | [●] |
| 15 | Maximum Premium: | [●] |
| 16 | Minimum Premium: | [●] |
| 17 | Stop Loss Price on the Trade Date: | [●] |
| 18 | Stop Loss Event: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 19 | Stop Loss Price Rounding: | [●] |
| 20 | Stop Loss Termination Reference Price: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 21 | Termination Reference Price | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 22 | Reset Date: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 23 | Entitlement: | [●] |
| 24 | Financing Level Currency: | [●] |
| 25 | Exercise Time: | [●] |
| 26 | Cash Settlement Amount: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 27 | Final Reference Price: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 28 | Settlement Date: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| 29 | Issuer Call Commencement Date: | [●] |
| 30 | Issuer Call Notice Period: | [●] |
| 31 | Disrupted Day: | [Applicable/Not Applicable] |
| 32 | Valuation Date(s): | [●] |
| 33 | Valuation Time: | [[●]/Not Applicable] |
| 34 | Maximum Days of Disruption: | [●] |
| 35 | Financial Centre(s): | [●] |
| 36 | Number of Business Days in which a Price Correction may be published | [●] |
| 37 | Early Redemption Unwind Costs | [Standard Early Redemption Unwind Costs]/[Other – specify] |
| 38 | Calculation Agent: | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)]/[Other – specify] |

ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS:

| | | |
|----|---|--|
| 39 | Equity Linked Leveraged Certificate Provisions | [Not Applicable/Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> |
|----|---|--|

| | | |
|-----|--|---|
| | | [The provisions of the Equity Product Conditions shall apply.] |
| (a) | Equity/Equities: | [Single Equity/Basket of Equities] |
| (b) | Equity Issuer(s): | [●] |
| (c) | Exchange: | [●]/[As specified in the Equity Product Conditions] (Delete as applicable) |
| (d) | Additional Disruption Event(s): | [Not Applicable/Applicable] (If Applicable, provide details of such Additional Disruption Events) [Change in Law]/ [Insolvency Filing]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other – specify] |
| (e) | Notional Dividend Amount: | [Not Applicable/Applicable] (Delete as applicable) |
| (f) | Notional Dividend Period: | [As specified in the Conditions]/[Other – specify] (Delete as applicable) |
| (g) | Related Exchange: | [●]/[As specified in the Conditions]/[All Exchanges] (Delete as applicable) |
| (h) | Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| 40 | Fund Linked Leveraged Certificate Provisions | [Not Applicable/Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph) [The provisions of the Fund Product Conditions shall apply.] |
| (a) | Whether the Securities relate to a single Fund or a Basket of Funds and the identity of the relevant Fund/Funds: | [Single Fund]/[Basket of Funds] [[●] (ISIN: [●])] (If a Basket of Funds, give details for each Fund) |
| (b) | Reference Fund: | [As per Fund Product Condition 1]/[Other – specify]/[Exchange Traded Fund] [Exchange: [●]] (ETFs only) |
| (c) | Fund Interest Unit: | The [●] (insert currency) class of the (shares/non-voting shares/participating shares/units) of the Fund (ISIN: [●]) |
| (d) | Fund Interest: | [●] |
| (e) | Fund Calculation Date: | [●] |
| (f) | Fund Business Day: | [●] |
| (g) | Fund Administrator: | [Not Applicable]/[●] (Give details) |
| (h) | Fund Advisor: | [Not Applicable]/[●] (Give details) |

| | | |
|----|--|---|
| | (i) Fund Manager: | [Not Applicable]/[●] (<i>Give details</i>) |
| | (j) Fund Service Provider: | [Not Applicable]/[●] (<i>Give details</i>) |
| | (k) NAV Barrier: | [●] |
| | (l) NAV Trigger Percentage: | [●] |
| | (m) NAV Trigger Period: | [●] |
| | (n) Number of NAV Publication Days: | [●] |
| | (o) Settlement Price: | [●] |
| | | (<i>Complete only if different from definition contained in the Conditions</i>) |
| | (p) Additional Extraordinary Fund Event: | [●] |
| | (q) Portfolio: | [●] |
| | (r) Potential Replacement Index: | [●] (<i>Give details</i>) |
| | (s) Calculation Date: | [●] |
| | (t) Termination Date: | [●] |
| | (u) Termination Amount: | [●] |
| | (v) Protected Amount: | [●] |
| | (w) Additional Disruption Events: | [Not Applicable/Applicable] (<i>If applicable, specify which of the following events are applicable:</i>) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Insolvency Filing]/ [(<i>Other – specify</i>)] |
| | (x) Additional Fund Documents | [●] (<i>Give details</i>) |
| | (y) Weighting: | [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable] (<i>Only applicable in relation to Funds Linked Securities relating to a Basket</i>) |
| | (z) Notional Dividend Amount: | [Not Applicable/Applicable] (<i>Delete as applicable</i>) |
| | (aa) Notional Dividend Period: | [As specified in the Conditions]/[<i>Other – specify</i>] (<i>Delete as applicable</i>) |
| | (bb) Reference Asset Price: | [NAV] [Trading Price. Bloomberg [●]] |
| | (cc) Averaging Date(s): | [●] |
| 41 | Index Linked Leveraged Certificate Provisions | [Not Applicable/Applicable] (<i>If not applicable, delete the remaining subparagraphs of this paragraph</i>) [The provisions of the Index Product Conditions shall apply.] |
| | (a) Type of Index: | [Multi-Exchange Index]/[Non Multi-Exchange Index] |

| | |
|---|---|
| | <i>(Delete as applicable)</i> |
| (b) Details of the Index: | [Single Index/Basket of Indices] <i>(insert details)</i> |
| (c) Index Sponsor: | [●]/[As specified in the Product Certificates Conditions] <i>(Delete as applicable)</i> |
| (d) Exchange: | [●]/ <i>(If a Non Multi-Exchange Index)</i> /[As specified in the Index Product Conditions] <i>(If a Multi-Exchange Index)</i> <i>(Delete as applicable)</i> |
| (e) Additional Disruption Event(s): | [Not Applicable/Applicable] <i>(If Applicable, provide details of such Additional Disruption Events)</i> [Change in Law]/[Hedging Disruption]/[Increased Cost of Hedging]/[Other – specify] |
| (f) Notional Dividend Amount: | [Not Applicable/Applicable] <i>(Delete as applicable)</i> |
| (g) Notional Dividend Period: | [As specified in the Conditions]/[Other – specify] <i>(Delete as applicable)</i> |
| (h) Number of Business Days in which a Price Correction may be published: | [As specified in the Conditions]/[Other – specify] <i>(Delete as applicable)</i> |
| (i) Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] <i>(Delete if Disrupted Day is not applicable)</i>] |
| 42 Commodity Linked Leveraged Certificate Provisions | [Not Applicable/Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> [The provisions of the Commodity Product Conditions shall apply.] |
| (a) Commodity/Commodities/Commodity Index/Indices: | [Single Commodity/Basket of Commodities] |
| (b) Commodity Reference Price: | [●] <i>(Specify successor and fallback provisions, specify Price Source/Reference Dealers)</i> |
| (c) Bullion Reference Dealers: | [Specify]/[As per Commodity Product Condition 1] |
| (d) Specified Price: | (A) the high price;, (B) the low price;, (C) the average of the high price and the low price;, (D) the closing price;, (E) the opening price;, (F) the bid price;, (G) the asked price;, (H) the average of the bid price and the asked price;, (I) the settlement price;, (J) the official settlement price;, (K) the official price;, (L) the morning fixing;, (M) the afternoon fixing;, (N) the spot price;, or (O) [Other – specify] |
| (e) Index Sponsor: | [●] |
| (f) Delivery Dates: | [●]/[Nearby Month] |
| (g) Initial Fixing Date: | [●] |
| (h) Rollover Date: | [●]/[Not Applicable] |

- (i) Rollover Spread: [●]
- (j) Additional Disruption Event(s): [Not Applicable/Applicable] *(If Applicable, provide details of such Additional Disruption Events)* [Change in Law]/[Hedging Disruption]/[Increased Cost of Hedging]/[Other – specify]
- (k) Exchange: [●]
- (l) Exchange Rate: [●]
- (m) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]
(Delete if Disrupted Day is not applicable)]
- 43 **Currency Linked Leveraged Certificate Provisions** [Not Applicable/Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
[The provisions of the Currency Product Conditions shall apply.]
- (a) Underlying FX Rate: [●]
- (b) Underlying Currency: [●]
- (c) Relevant Screen Page: [●]
- (d) Relevant Number of Days: [●]
- (e) Additional Disruption Event(s): [Not Applicable/Applicable] *(If Applicable, provide details of such Additional Disruption Events)*
[Change in Law]/
[Hedging Disruption]/
[Increased Cost of Hedging]/
[Other – specify]
- (f) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]
(Delete if Disrupted Day is not applicable)]
- 44 **Debt Linked Leveraged Certificate Provisions** [Not Applicable/Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
[The provisions of the Debt Product Conditions shall apply.]
- (a) Reference Asset: [●] (ISIN: [●])
Screen Page: [●]
- (b) Rollover Date: [●]
- (c) Additional Disruption Event(s): [Not Applicable/Applicable] *(If Applicable, provide details of such Additional Disruption Events)*
[Change in Law]/

| | | |
|---------------------|--|--|
| | | [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other – specify] |
| | (d) Exchange: | [●] |
| | (e) Related Exchange: | [●] |
| | (f) Averaging Date(s): | [●] |
| | | [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| 45 | Futures Linked Leveraged Certificate Provisions | [Not Applicable/Applicable] (<i>If not applicable, delete the remaining subparagraphs of this paragraph</i>) [The provisions of the Futures Product Conditions shall apply.] |
| | (a) Futures: | [Insert type of Futures] |
| | (b) Exchange: | [Specify] |
| | (c) Additional Disruption Event(s): | [Not Applicable/Applicable] (<i>Delete as applicable</i>) (<i>If applicable, specify which of the following events are applicable:</i>) [Change in Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other – specify] |
| | (d) Averaging Date(s): | [●] |
| | | [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| DISTRIBUTION | | |
| 46 | Method of distribution: | [Syndicated/Non-Syndicated] |
| | (a) If syndicated, names and addresses of Managers and underwriting commitments: | [Not Applicable]/[Give names, and addresses and underwriting commitments] (<i>Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a best efforts basis if such entities are not the same as the Managers</i>) |
| | (b) Date of Subscription Agreement: | [●] |
| 47 | Stabilising Manager (if any): | [●] |
| 48 | If non-syndicated, name and address of relevant Dealer: | [Not Applicable]/[Give name and address] |
| 49 | Total commission and concession: | [[●] per cent. of the aggregate nominal amount/Certain |

50 Non-exempt Offer:⁷

fees or commissions will be payable to third party distributors and/or the Securities will be sold at a discount to the Issue Price on the primary sale of the Securities/Not Applicable/[●] (*Other - specify*)

[Not Applicable]/[An offer of Securities may be made by the Manager[s] [and [*Specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. other parties authorised by the Managers) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [*Specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (“**Public Offer Jurisdictions**”) during the period from [*Specify date*] until [*Specify date or a formula such as the Issue Date or the date which falls [●] Business Days thereafter*] (“**Offer Period**”). See further Paragraph 14 of Part B below.

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

51 Additional Selling Restrictions:

[Not Applicable]/[*Give details*]

PURPOSE OF FINAL TERMS

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

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is

⁷ Not relevant for an issue of Leverage Certificates with an issue price equal to or greater than EUR50,000 (or its equivalent in another currency), which will increase to EUR100,000 (or its equivalent in another currency upon implementation of Directive 2010/73/EU.

aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

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

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

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

2 RATINGS

[The Securities to be issued have not been rated:

Credit ratings in relation to the Issuer included or referred to in these Final Terms and the Base Prospectus have been issued by Standard & Poor's, Moody's and Fitch Ratings Ltd, each of which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]⁸

[The Securities to be issued have been rated:

[Standard & Poor's: [●]

[Moody's: [●]

[Other: [●]]

[The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]

(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 Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 NOTIFICATION

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

⁸ Insert if the Notes are not rated and being publicly offered.

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

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

(a) Reasons for the offer: [•]

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

(b) Estimated net proceeds: [•]

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

(c) Estimated total expenses: [•]

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

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

6 PERFORMANCE OF [INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX]] (*Index Linked Leveraged Certificates Only*)

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

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

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

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

7 PERFORMANCE OF THE SHARE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE SHARE] (*Share Linked Leveraged Certificates Only*)

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

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

8 INFORMATION IN RELATION TO THE UNDERLYING DEBT SECURITY/SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE UNDERLYING DEBT SECURITY/SECURITIES] (*Debt Linked Leveraged Certificates Only*)

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

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

9 PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/COMMODITY INDEX/]] (*Commodity Linked Leveraged Certificates Only*)

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

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

10 PERFORMANCE OF [THE FUND], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND]] (*Fund Linked Leveraged Certificates Only*)

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

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

11 PERFORMANCE OF [THE CURRENCY/CURRENCY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER

INFORMATION CONCERNING [THE CURRENCY/CURRENCY INDEX] (*Currency Linked Leveraged Certificates Only*)

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

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

12 PERFORMANCE OF [THE FUTURE], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUTURE]] (*Futures Linked Leveraged Certificates Only*)

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

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

13 OPERATIONAL INFORMATION

- | | |
|--|--|
| (a) ISIN: | [•] |
| (b) Common Code: | [•] |
| (c) [Clearing System(s):] | [Euroclear Netherlands]/Euroclear and Clearstream, Luxembourg/[•] (<i>Other – specify</i>) |
| (d) [Any clearing system(s) other than Euroclear Netherlands:] | [Not Applicable]/[Give name(s) and number(s)] |

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

- | | |
|--|---|
| (a) Offer Price: | [Issue Price]/[<i>(Other – specify)</i>] |
| (b) Conditions to which the offer is subject: | [Not Applicable]/[<i>Other -Give details</i>] |
| (c) Total Amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | [Not Applicable]/[<i>Give details</i>] |
| (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: | [Not Applicable]/[<i>Give details</i>] |
| (e) [Details of the minimum and/or maximum amount of application:] | [Not Applicable]/[<i>Give details</i>] |
| (f) [Description of possibility to reduce subscriptions and manner for refunding excess] | [Not Applicable]/[<i>Give details</i>] |

amount paid by applicants:]

- | | | |
|-----|--|---------------------------------|
| (g) | [Details of the method and time limits for paying up and delivering the Securities:] | [Not Applicable]/[Give details] |
| (h) | [Manner in and date on which results of the offer are to be made public:] | [Not Applicable]/[Give details] |
| (i) | [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not Applicable]/[Give details] |
| (j) | [Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:] | [Not Applicable]/[Give details] |
| (k) | [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] | [Not Applicable]/[Give details] |
| (l) | [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] | [Not Applicable]/[Give details] |
| (m) | [Conditions to which the offer is subject:] | [Not Applicable]/[Give details] |
| (n) | [Description of the application process:] | [Not Applicable]/[Give details] |

FORM OF FINAL TERMS FOR WARRANTS

Set out below is the form of Final Terms which will be completed for each issue of Warrants issued by the Issuer under the Programme.

FINAL TERMS

DATED [●]

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.
(RABOBANK STRUCTURED PRODUCTS)**

**Issue of [Aggregate Amount of tranche] [Title of Securities] (the “Securities”)
issued pursuant to the Securities and Warrants Programme**

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

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 35 of Part A below, provided such person is one of the persons mentioned in paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]⁹

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities 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 Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]¹⁰

⁹ Consider including this legend where a non-exempt offer of Warrants is anticipated.

¹⁰ Consider including this legend where only an exempt offer of Warrants is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities, including Annexes 1 to 7 thereto, (the “**Conditions**”) set forth in the Base Prospectus dated 27 October 2011[and the supplementary prospectus[es] 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 Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus[, as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as so supplemented]. The Securities will be issued on the terms of these Final Terms read together with the Base Prospectus[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus[, as so supplemented], contains all information that is material in the context of the issue of the Securities. The Base Prospectus[and the supplementary prospectus[es]] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).

(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 17) was issued under an Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [24 September 2007] [27 October 2010] and the Base Prospectus Supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Base Prospectus dated 27 October 2011. 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 Base Prospectus dated 27 October 2010[and the supplementary prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 27 October 2011[, as so supplemented,] and the Conditions. The Base Prospectus [and the supplementary prospectus[es]] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).]

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Securities other than the Securities to which they relate or an offer to sell or the solicitation of an offer to buy Securities 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 Securities 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 Base Prospectus as supplemented or amended by these Final Terms.

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

The purchase of Securities may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of Securities 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 Base Prospectus, as supplemented from time to time.

[A [Dutch][French][Specify other] language description of the principal terms of the Securities 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 Base Prospectus under Article 16 of the Prospectus Directive.)

DESCRIPTION OF THE SECURITIES

| | | |
|----|------------------------------------|---|
| 1 | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2 | [(a)] Series Number: | [●] |
| | [(b)] Tranche Number: | [●] <i>(Include if fungible with an existing issue)</i> |
| 3 | Consolidation: | [The Securities issued pursuant to these Final Terms will be consolidated and form a single series with [●] <i>(insert title of relevant series of Securities)</i> , issued pursuant to the Final Terms dated [●], with effect from [●].] <i>(Include if fungible with an existing issue)</i> /[Not applicable] |
| 4 | Type of Securities: | Warrants |
| 5 | Type of Warrants: | (i) [Call]/[Put Warrants] (ii) [Index Linked Warrants]/[Equity Linked Warrants]/[Currency Linked Warrants]/[Commodity Linked Warrants]/[Fund Linked Warrants]/[Debt Linked Warrants]/[Futures Linked Warrants]/[●] <i>(specify other type of Warrant)</i> (iii) [European]/[American]/[Other] Style |
| 6 | Settlement Currency: | [●] <i>(Give details)</i> |
| 7 | Issue Date: | [●] |
| 8 | Trade Date: | [●] |
| 9 | Issue Price: | [●] per Security. |
| 10 | Number of Securities being issued: | [●] |
| 11 | Units: | [Warrants must be exercised in Units. Each Unit consists of the number of Securities set out above.]/[Not Applicable] <i>(This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below).</i> |

| | | |
|----|--------------------------|--|
| 12 | Exercise Date: | [[●] (the “ Scheduled Exercise Date ”), provided that, if such date is not an Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Business Day.]/[Not Applicable] (<i>Only applicable in relation to European Style Warrants</i>) (<i>Specify if Cash Settled Securities will not automatically be exercised at the end of the Exercise Date</i>) |
| 13 | Exercise Period: | [The Exercise Period in respect of the Securities is from and including [●] to and including [●], or, if [●] is not an Business Day, the immediately succeeding Business Day.]/[Not Applicable] (<i>Only applicable in relation to American Style Warrants</i>) (<i>Specify if Cash Settled Securities will not automatically be exercised at the end of the Exercise Period</i>) (<i>Specify if deadline for delivery is other than 10:00am CET as per Condition 5</i>) |
| 14 | Exercise Price: | The Exercise Price per [Warrant]/[Unit] is [●]. (<i>This should, in the case of Index Linked Securities, be expressed as a monetary value</i>) |
| 15 | Exchange Rate: | [The exchange rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Cash Settlement Amount is [●].]/[Not Applicable] |
| 16 | Minimum Exercise Number: | The minimum number of Securities that may be exercised on any day by any Securityholder is [●] [and Securities may only be exercised in integral multiples of [●] Securities in excess thereof]. |
| 17 | Maximum Exercise Number: | The maximum number of Securities that must be exercised on any day by any Securityholder or group of Securityholders (whether or not acting in concert) is [●]. (<i>Not applicable for European Style Securities</i>) |
| 18 | Settlement Date: | [[●]/As per the Conditions] (<i>For Cash Settled Securities, consider providing for postponement of the Settlement Date if (i) the Final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event</i>) |
| 19 | Valuation Date(s): | [[●] (<i>Give dates</i>)]/[Not Applicable] |
| 20 | Valuation Time: | [As set out in the Conditions]/[[●] (<i>Specify other</i>)] |
| 21 | Disrupted Day: | [Applicable/Not Applicable] |
| 22 | Cash Settlement Amount: | [Insert details of how Cash Settlement Amount is to be calculated/ As per General Securities Condition 4] |
| 23 | Settlement: | Settlement will be by way of [cash payment (“ Cash Settled ”)] [and/or] [physical delivery (“ Physical Delivery ”)]. |

| | | |
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| 24 | Issuer's option to vary settlement: | The Issuer [has]/[does not have] the option to vary settlement in respect of the Securities. |
| 25 | Settlement Business Day: | [●] |
| 26 | Financial Centre(s): | [●] |
| 27 | Early Redemption Unwind Costs | [Standard Early Redemption Unwind Costs]/[<i>Other – specify</i>] |
| 28 | Calculation Agent: | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)]/[<i>Other – specify</i>] |

ADDITIONAL SPECIFIC PRODUCT RELATED CONDITIONS

| | | |
|----|--|--|
| 29 | Index Linked Warrants | [Not Applicable/Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> [The provisions of the Index Product Conditions shall apply.] |
| | (a) Whether the Securities relate to a single Index or Basket of Indices, the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index: | [Single Index]/[Basket of Indices] <i>(If a Basket of Indices, give details for each Index)</i> Index/Indices: [●] (<i>Give details</i>) (Bloomberg® code: [●]) Multi-Exchange Index: [Not Applicable/Applicable] <i>(Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)</i> |
| | (b) Name of Index Sponsor(s): | [●] |
| | (c) Index Currency: | [●] |
| | (d) Settlement Price: | [●]/[As per the Index Product Conditions] <i>(Complete only if different from definition contained in the Conditions)</i> |
| | (e) Exchange(s): | [●] |
| | (f) Related Exchange: | [All Exchanges]/[●] (<i>Give details</i>) |
| | (g) Additional Disruption Events: | [Not Applicable/Applicable] <i>(If applicable, specify which of the following events are applicable:)</i> [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [<i>Other - specify</i>] |
| | (h) Weighting: | [The weighting to be applied to each item comprising the Basket is [●]]/[Not Applicable] <i>(Only applicable in relation to Index Linked Securities relating to a Basket)</i> |
| | (i) Averaging Date(s): | [●] |

| | | |
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| | | [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| 30 | Equity Linked Warrants | [Not Applicable/Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [The provisions of the Equity Product Conditions shall apply.] |
| | (a) Whether the Securities relate to a single Equity or Basket of Equities and the identity of the Equity Issuer(s) of the relevant Equity/Equities: | [Single Equity]/[Basket of Equities] (If a Basket of Equities, give details for each Equity) (i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]; (ii) Equity Issuer(s): [●] (Bloomberg® code: [●]); (iii) the ISIN/Common Code of Equity/Equities: [[●]/See Schedule]] |
| | (b) Settlement Price: | [●] (Complete only if different from definition contained in the Conditions) |
| | (c) Exchange(s): | [●] |
| | (d) Related Exchange: | [●]/[All Exchanges] |
| | (e) Additional Disruption Events: | [Not Applicable/ Applicable] (If applicable, specify which of the following events are applicable:) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Insolvency Filing]/ [Other - specify] |
| | (f) Weighting: | [The weighting to be applied to each item comprising the Basket is [●]/[Not Applicable] (Only applicable in relation to Equity Linked Securities relating to a Basket) |
| | (g) Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| 31 | Debt Linked Warrants | [Not Applicable/Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [The provisions of the Debt Product Conditions shall apply.] |

- (a) Whether the Securities relate to a single Underlying Debt Security or Basket of Underlying Debt Securities and the identity of the relevant Underlying Debt Security/Underlying Debt Securities: [Single Underlying Debt Security]/[Basket of Underlying Debt Securities]
[(ISIN: [●])]
(If a Basket of Underlying Debt Securities, give details for each Underlying Debt Security)
- (b) Settlement Price: [●] *(Complete only if different from definition contained in the Conditions)*
- (c) Redemption of Underlying Debt Securities: Where one or more of the relevant Underlying Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the Debt Linked Securities, *[insert appropriate fallback provisions]*.
- (d) Relevant Screen Page: [●]
- (e) Additional Disruption Events [Not Applicable/Applicable]
(If applicable, specify which of the following events are applicable:)
[Change of Law]/
[Hedging Disruption]/
[Increased Cost of Hedging]/
[Other - specify]
- (f) Weighting: [The weighting to be applied to each item comprising the Basket is [●]/[Not Applicable] *(Only applicable in relation to Debt Linked Securities relating to a Basket)*
- (g) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]
(Delete if Disrupted Day is not applicable)]

32 **Currency Linked Warrants**

- [Not Applicable/Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
[The provisions of the Currency Product Conditions shall apply.]
- (a) Whether the Securities relate to a single Currency or Basket of Currencies and the identity of the relevant Currency/ Currencies: [Single Currency]/[Basket of Currencies]
[●] *(Give details)*
(If a Basket of Currencies, give details for each Currency)
- (b) Relevant Screen Page: [●]
- (c) Base Currency: [●]
- (d) Subject [Currency/Currencies]: [●]
- (e) Price Source: [●]

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| (f) Settlement Price: | [●] (<i>Complete only if different from definition contained in the Conditions</i>) |
| (g) Additional Disruption Event: | [Not Applicable/Applicable] <i>(If applicable, specify which of the following events are applicable:)</i> [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other - specify] |
| (h) Weighting: | [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable] <i>(Only applicable in relation to Currency Linked Securities relating to a Basket)</i> |
| (i) Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] <i>(Delete if Disrupted Day is not applicable)]</i> |
| 33 Commodity Linked Warrants | [Not Applicable/Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> [The provisions of the Commodity Product Conditions shall apply.] |
| (a) Whether the Securities relate to a single Commodity or Commodity Index or a Basket of Commodities or Commodity Indices and the identity of the relevant Commodity/Commodities or Commodity Index/Commodity Indices: | [Single Commodity or Commodity Index]/[Basket of Commodities or Commodity Indices] [●] (<i>Give details</i>) <i>(If a Basket of Commodities or Commodity Indices, give details for each Commodity or Commodity Index)</i> (i) Commodity Reference Price: [●] (ii) Bullion Reference Dealers: [<i>Specify</i>]/[As per Commodity Product Condition 1] (iii) Specified Commodity: [●] <i>(Include type or grade if relevant, the location of delivery and any other details)</i> (iv) Unit: [●] (v) Exchange: [●] (vi) Relevant Currency: [●] (vii) Specified Price: [●] (viii) Delivery Date: [●]/[Not Applicable]/[Nearby Month] <i>(The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that</i> |

Delivery Date, stated in that currency, as announced or published by that Exchange on the Pricing Date)

- (i) Commodity Reference Price: [●]
- (ii) Specified Commodity: [●]
(Include type or grade if relevant, the location of delivery and any other details)
- (iii) Unit: [●]
- (iv) Price Source: [●]
- (v) Reference Dealers: [[●]/Not Applicable]
- (vi) Heading: [●]
- (vii) Relevant Currency: [●]
- (viii) Specified Price: [●]
- (ix) Delivery Date: [●]/[Not Applicable]

(The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity and, if applicable, for delivery on that Delivery Date, stated in that currency, published (or shown) in the issue of the Price Source that reports prices effective on that Pricing Date)

- (b) Name of Index Sponsor(s): [●]
- (c) Settlement Price: [●] *(Complete only if different from definition contained in the Conditions)*
- (d) Specified Price: (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) [Other – specify].
- (e) Exchange(s): [●]
- (f) Disruption Fallback: [[Fallback Reference Dealers]/
[Fallback Reference Price]/
[Postponement]/
[Calculation Agent Determination]/
[Delayed Publication or Announcement]
(delete as applicable and place in preferred order)]]/[In the following order:
 - (a) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of the applicable Maximum Days of Disruption; provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or

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| | Announcement does not yield a Relevant Price within the period of the applicable Maximum Days of Disruption); and |
| | (b) Calculation Agent Determination.] |
| (g) Maximum Days of Disruption: | [2 days]/[[•] (<i>Give details</i>)]/[Not Applicable] |
| (h) Price Materiality Percentage: | [[•] per cent. (<i>Give details</i>)]/[Not Applicable] |
| (i) Additional Disruption Events: | [Not Applicable/Applicable] (<i>If applicable, specify which of the following events are applicable:</i>) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [[•] (<i>Other - specify</i>)] |
| (j) Weighting: | [The weighting to be applied to each item comprising the Basket is [•]]/[Not Applicable] (<i>Only applicable in relation to Commodity Linked Securities relating to a Basket</i>) |
| (k) Averaging Date(s): | [•] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (<i>Delete if Disrupted Day is not applicable</i>)] |
| 34 Fund Linked Warrants | [Not Applicable/Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) [The provisions of the Fund Product Conditions shall apply.] |
| (a) Whether the Securities relate to a single Fund or a Basket of Funds and the identity of the relevant Fund/Funds: | [Single Fund]/[Basket of Funds] [[•] (ISIN: [•])] (<i>If a Basket of Funds, give details for each Fund</i>) |
| (b) Reference Fund: | [As per Fund Product Condition 1]/[<i>Other specify</i>]/[Exchange Traded Fund] [Exchange [•]] (<i>ETFs only</i>) |
| (c) Fund Interest Unit: | The [•] (<i>insert currency</i>) class of the (<i>shares/non-voting shares/participating shares/units</i>) of the Fund (ISIN: [•]) |
| (d) Fund Interest: | [•] |
| (e) Fund Calculation Date: | [•] |
| (f) Fund Business Day: | [•] |
| (g) Fund Administrator: | [Not Applicable]/[•] (<i>Give details</i>) |
| (h) Fund Advisor: | [Not Applicable]/[•] (<i>Give details</i>) |

| | | |
|----|--|---|
| | (i) Fund Manager: | [Not Applicable]/[●] (<i>Give details</i>) |
| | (j) Fund Service Provider: | [Not Applicable]/[●] (<i>Give details</i>) |
| | (k) NAV Barrier: | [●] |
| | (l) NAV Trigger Percentage: | [●] |
| | (m) NAV Trigger Period: | [●] |
| | (n) Number of NAV Publication Days: | [●] |
| | (o) Settlement Price: | [●] (<i>Complete only if different from definition contained in the Conditions</i>) |
| | (p) Additional Extraordinary Fund Event: | [●] |
| | (q) Portfolio: | [●] |
| | (r) Potential Replacement Index: | [●] (<i>Give details</i>) |
| | (s) Calculation Date: | [●] |
| | (t) Termination Date: | [●] |
| | (u) Termination Amount: | [●] |
| | (v) Protected Amount: | [●] |
| | (w) Additional Disruption Events: | [Not Applicable/Applicable] (<i>If applicable, specify which of the following events are applicable:</i>) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Insolvency Filing]/ [<i>(Other – specify)</i>] |
| | (x) Additional Fund Documents: | [●] (<i>Give details</i>) |
| | (y) Weighting: | [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable] (<i>Only applicable in relation to Funds Linked Securities relating to a Basket</i>) |
| | (z) Averaging Date(s): | [●] |
| 35 | Futures Linked Warrants | [Not Applicable/Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) [The provisions of the Futures Product Conditions shall apply.] |
| | (a) Whether the Securities relate to a single Future or a Basket of Futures and the identity of the relevant Future/Futures: | [Single Future]/[Basket of Futures] [[●] (<i>Give details</i>)] (<i>If a Basket of Futures, give details for each Fund</i>) |
| | (b) Settlement Price: | [●] (<i>Complete only if different from definition contained</i> |

- in the Conditions)*
- (c) Exchange(s): [Specify]
- (d) Additional Disruption Events: [Not Applicable/ Applicable]
(If applicable, specify which of the following events are applicable:)
 [Change of Law]/
 [Hedging Disruption]/
 [Increased Cost of Hedging]/
 [(Other - specify)]
- (e) Weighting: [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable]
(Only applicable in relation to Futures Linked Securities relating to a Basket)
- (f) Averaging Date(s): [●]
 [Omission: [Applicable/Not Applicable]
 Postponement: [Applicable/Not Applicable]
 Modified Postponement: [Applicable/Not Applicable]
(Delete if Disrupted Day is not applicable)]

PROVISIONS FOR PHYSICAL DELIVERY

- 36 Relevant Asset(s): [[●]/Not Applicable]
- 37 Entitlement: [The Entitlement (as defined in General Product Securities Condition 3) in relation to each Security is [●].]/[Not Applicable]
 [The Entitlement will be evidenced by *[insert details of how the Entitlement will be evidenced]*]/[Not Applicable]
 [The Entitlement will be delivered *[insert details of the method of delivery of the Entitlement]*]/[Not Applicable]
(Paragraphs in this section are only applicable in relation to Physical Delivery Warrants)

DISTRIBUTION

- 38 Method of distribution: [Syndicated/Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/[Give names, and addresses and underwriting commitments]
(Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (b) Date of Subscription Agreement: [●]

| | | |
|----|---|--|
| 39 | Stabilising Manager (if any): | [●] |
| 40 | If non-syndicated, name and address of relevant Dealer: | [Not Applicable]/[Give name and address] |
| 41 | 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 Securities will be sold at a discount to the Issue Price on the primary sale of the Securities/Not Applicable/[●] (<i>Other - specify</i>)] |
| 42 | Non-exempt Offer: ¹¹ | <p>[Not Applicable]/[An offer of Securities may be made by the Manager[s] [and [<i>Specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in Non-exempt Offers (e.g. “other parties authorised by the Managers”)</i> or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in [<i>Specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)</i>] (“Public Offer Jurisdictions”) during the period from [<i>Specify date</i>] until [<i>Specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”</i>] (“Offer Period”). See further Paragraph 13 of Part B below.</p> <p>(<i>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.</i>)</p> |
| 43 | Additional selling restrictions: | [Not Applicable]/[Give details] |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [listing and admission to trading on [Euronext Amsterdam/the Regulated Market of the

¹¹ Not relevant for an issue of Warrants with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency), which will increase to EUR100,000 (or its equivalent in another currency) upon implementation of Directive 2010/73/EU.

Luxembourg Stock Exchange [●] (*Specify other*)] of the Securities described herein pursuant to the Programme for issuance of Securities, of Rabobank Structured Products.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION¹²

1 LISTING AND ADMISSION TO TRADING

(a) Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on [NYSE Euronext in Amsterdam/the Regulated Market of the Luxembourg Stock Exchange/[●] (*Specify other relevant regulated market and, if relevant, admission to an official list*)] with effect from[, at the earliest, the Issue Date/[●] (*Specify date*)].]/[Not Applicable]

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

2 RATINGS

Ratings:

[The Securities to be issued have not been rated:

Credit ratings in relation to the Issuer included or referred to in these Final Terms and the Base Prospectus have been issued by Standard & Poor's, Moody's and Fitch Ratings Ltd, each of which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]¹³

[The Securities to be issued have been rated:

[Standard & Poor's: [●]

[Moody's: [●]

[Other: [●]]

[The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]

(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 Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

¹² If an issue of Warrants is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, then only paragraphs 1 and 12 need to be completed and paragraphs 2 to 11 and 13 should be deleted.

¹³ Insert if the Notes are not rated and being publicly offered.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer - *amend as appropriate if there are other interests*]

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

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

(a) Reasons for the offer: [[●]

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

(b) Estimated net proceeds: [●]

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

(c) Estimated total expenses: [●] *(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”).*

5 PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (*Index Linked Securities Only*)

[Need to include details of where past and future performance and volatility of [the/each] index can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.] [Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

[The Issuer does not intend to produce any post-issuance information]

6 PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (*Equity Linked Securities Only*)

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

[The Issuer does not intend to produce any post-issuance information]

7 INFORMATION IN RELATION TO THE UNDERLYING DEBT SECURITY/SECURITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE UNDERLYING DEBT SECURITY/SECURITIES] (*Debt Linked Securities Only*)

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

[The Issuer does not intend to produce any post-issuance information]

8 PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES/COMMODITY INDEX/BASKET OF COMMODITY INDICES]] (*Commodity Linked Securities Only*)

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

[The Issuer does not intend to produce any post-issuance information]

9 PERFORMANCE OF [THE FUND/BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND /BASKET OF FUNDS]] (*Fund Linked Securities Only*)

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

[The Issuer does not intend to produce any post-issuance information]

10 PERFORMANCE OF [THE FUTURE/BASKET OF FUTURES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUTURE/BASKET OF FUTURES]] (*Futures Linked Securities Only*)

[Need to include details of [the/each] future, [the relevant weighting of each future within a Basket of future] and where past and future performance and volatility of [the/each] [future/Basket of futures] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[The Issuer does not intend to produce any post-issuance information]

11 PERFORMANCE OF [THE CURRENCY/CURRENCY INDEX], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE CURRENCY/CURRENCY INDEX] (*Currency Linked Securities Only*)

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

[The Issuer does not intend to produce any post-issuance information]

12 OPERATIONAL INFORMATION

- | | |
|--|---|
| (a) ISIN Code: | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Securities:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Securities: [●]]</p> |
| (b) Common Code | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Securities:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Securities: [●]]</p> |
| (c) [Clearing System(s):] | [Euroclear Netherlands]/[Euroclear and Clearstream, Luxembourg]/[other] |
| (d) [Any clearing system(s) other than Euroclear Netherlands:] | [Not Applicable]/[Give name(s) and number(s)] |

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

- | | |
|--|---------------------------------|
| (a) Offer Price: | [Issue Price]/[Give details] |
| (b) Conditions to which the offer is subject: | [Not Applicable]/[Give details] |
| (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | [Not Applicable]/[Give details] |
| (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: | [Not Applicable]/[Give details] |
| (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: | [Not Applicable]/[Give details] |

- | | | |
|-----|--|---------------------------------|
| (f) | Details of the minimum and/or maximum amount of application: ¹⁴ | [Not Applicable]/[Give details] |
| (g) | [Details of the method and time limits for paying up and delivering the Securities:] | [Not Applicable]/[Give details] |
| (h) | [Manner in and date on which results of the offer are to be made public:] | [Not Applicable]/[Give details] |
| (i) | [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not Applicable]/[Give details] |
| (j) | [Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:] | [Not Applicable]/[Give details] |
| (k) | [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] | [Not Applicable]/[Give details] |
| (l) | [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] | [Not Applicable]/[Give details] |
| (m) | [Conditions to which the offer is subject:] | [Not Applicable]/[Give details] |
| (n) | [Description of the application process:] | [Not Applicable]/[Give details] |

¹⁴ Whether in number of certificates or aggregate amount to invest.

FORM OF FINAL TERMS FOR CERTIFICATES

FINAL TERMS

DATED [●]

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.

(RABOBANK STRUCTURED PRODUCTS)

Issue of [Aggregate Amount of Tranche][Title of Securities] (the “Securities”)
issued pursuant to the Securities and Warrants Programme

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

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 56 of Part A below, provided such person is one of the persons mentioned in paragraph 56 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances].¹⁵

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Securities 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 Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.].¹⁶

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities, including Annexes 1 to 7 thereto, (the “**Conditions**”) set forth in the Base Prospectus dated 27

¹⁵ Consider including this legend where a non-exempt offer of the Certificates is anticipated.

¹⁶ Consider including this legend where only an exempt offer of the Certificates is anticipated.

October 2011 [and the supplementary prospectus[es] 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 Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus[, as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as so supplemented]. The Securities will be issued on the terms of these Final Terms read together with the Base Prospectus[, as so supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus[, as so supplemented], contains all information that is material in the context of the issue of the Securities. The Base Prospectus[and the supplementary prospectus[es]][is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).]

(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 17) was issued under an Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [24 September 2009] [27 October 2010] [and the Base Prospectus Supplement dated [●]] (the “**Conditions**”) which are incorporated by reference in the Base Prospectus dated 27 October 2011. 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 Base Prospectus dated 27 October 2010[and the supplementary prospectus[es] dated [●]], which [together]constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 27 October 2011[, as so supplemented] and the Conditions. [The Base Prospectus[and the supplementary prospectus[es]][is][are]available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir).]

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Securities other than the Securities to which they relate or an offer to sell or the solicitation of an offer to buy Securities 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 Securities 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 Base Prospectus as supplemented or amended by these Final Terms.

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

The purchase of Securities may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of Securities 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 Base Prospectus, as supplemented from time to time.

[A [Dutch][French][Specify other] language description of the principal terms of the Securities 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 Base Prospectus under Article 16 of the Prospectus Directive.)

GENERAL PROVISIONS

The following terms apply to each series of Securities:

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|----|--|---|
| 1 | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2 | [(a)] Series Number: | [•] |
| | [(b)] Tranche: | [•] <i>(Delete if not fungible with an existing issue)</i> |
| 3 | Consolidation: | The Securities issued pursuant to those Final Terms will be consolidated and form a single series with the <i>[Insert title of relevant series of Securities]</i> issued pursuant to Final Terms dated <i>[Insert issue date]</i> with effect from [•] |
| 4 | Type of Securities: | Certificates |
| 5 | Settlement Currency: | <i>[Specify]</i> |
| 6 | Number of Securities issued: | <i>[Specify]</i> |
| 7 | Trade Date: | <i>[Specify]</i> |
| 8 | Issue Date [and Interest Commencement Date]: | <i>[Specify]</i> |
| 9 | Type of Securities: | <p>(i) The Securities are [Index Linked Certificates]/[Equity Linked Certificates]/[Fund Linked Certificates]/[Debt Linked Certificates]/[Currency Linked Certificates]/[Commodity Linked Certificates]/[Fund Linked Certificates]/[Futures Linked Certificates]</p> <p>(ii) [The Securities are [Reverse Convertible Certificates]/[Call Certificates]/<i>[Other -specify]</i>.]</p> <p>(iii) [Exercise of Certificates applies to the Securities. The Exercise Date is <i>[Specify]</i>] or, if such day is not a Business Day, the immediately [preceding/succeeding] Business Day].</p> |
| 10 | Issue Price per Security: | [•] |
| 11 | Financial Centre(s): | [•] |
| 12 | Settlement: | Settlement will be by way of [cash payment (<i>Cash Settled Certificates</i>)] [and/or] [physical delivery (<i>Physical Delivery Certificates</i>)]. |

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| 13 | [Scheduled] Redemption Date: | [●] |
| 14 | Variation of Settlement: | |
| | (a) Issuer's option to vary settlement: | The Issuer [has/does not have] the option to vary settlement in respect of the Securities. |
| | (b) Variation of Settlement of Physical Delivery Certificates: | [Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer may make payment of the Redemption Amount on the Redemption Date and the provisions of General Certificates Condition 6(C) will apply to the Certificates.]/The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of General Certificates Condition 6(C) will not apply to the Certificates.] |
| 15 | Relevant Asset(s): | The relevant asset to which the Securities relate [is/are] [●]. |
| 16 | Instalment Certificates: | The Securities [are/are not] Instalment Certificates. |
| | (a) Instalment Amount(s): | [Specify] |
| | (b) Instalment Date(s): | [Specify] |
| 17 | Partly Paid Certificates: | The Securities [are/are not] Partly Paid Certificates. <i>[Specify details of the amount of each payment composing the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Securities and interest due on late payment] [Specify manner of Calculation Interest]</i> |
| 18 | Exchange Rate: | The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in the relevant Annex to the Conditions) or the Redemption Amount (as defined in Condition 4) is <i>[Insert rate of exchange and details of how and when such rate is to be ascertained]/[Not Applicable]</i> |
| 19 | Notional Amount of each Certificate: | [Currency][Amount] |
| 20 | Minimum Trading Size: | [Specify] |
| 21 | Calculation Amount: | [Specify] |
| 22 | Specified Denomination: | [Specify] |
| 23 | Issuing and Paying Agent: | [Deutsche Bank AG, London Branch]/[other] |
| 24 | Early Redemption Unwind Costs | [Standard Early Redemption Unwind Costs]/[Other – specify] |
| 25 | Calculation Agent: | [Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)]/[Specify other] |

- 26 Special conditions or other modifications to the Conditions: [Specify]
- 27 Disrupted Day: [Applicable/Not Applicable]

ADDITIONAL SPECIFIC PRODUCT RELATED PROVISIONS

- 28 **Index Linked Certificates:** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs*). The provisions of the Index Product Conditions shall apply.]
- (a) Index/Index Sponsor: [Specify name of index/indices]
[Specify name of index sponsor(s)]
[The [●] Index is a Composite Index.] (*specify each Composite Index*)
- (b) Exchange(s): As specified in the Index Product Conditions (*if a Composite Index*)/[●] (*if not a Composite Index*)
- (c) Related Exchange(s): [Specify] [As specified in the Index Product Conditions]/[All Exchanges]
- (d) Exchange Business Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]
- (e) Scheduled Trading Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]
(*Must match election made for Exchange Business Day*)
- (f) Additional Disruption Events: [Not Applicable/ Applicable]
(*If applicable, specify which of the following events are applicable:*)
[Change of Law]/
[Hedging Disruption]/
[Increased Cost of Hedging]/
[Other - specify]
- (g) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with the Conditions]/[Specify other]. (*Only applicable in relation to Securities relating to a Basket*)/[Not Applicable]
- (h) Settlement Price: [As specified in the Index Product Conditions]/[Other – specify]
- (i) Maximum Days of Disruption: [Scheduled Trading Days] /[Other – specify]
- (j) Valuation Date: [Specify]/[As specified in the Index Product Conditions]
- (k) Valuation Time: [As specified in the Index Product Conditions]/[Other – specify]
- (l) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]

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| | Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| (m) Knock-in Event: | The amount specified in the Index Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (Delete inapplicable) the Knock-in Level.]/[Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Knock-in Level: | [Specify] |
| (ii) Knock-in Period Beginning Date: | [Specify] |
| (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (iv) Knock-in Determination Day(s): | [Each Scheduled Trading Day in the Knock-in Determination Period]/[Other – specify] |
| (v) Knock-in Period Ending Date: | [Specify] |
| (vi) Knock-in Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (vii) Knock-in Valuation Time: | [As specified in the Index Product Conditions]/[Other – specify] |
| (n) Knock-out Event: | The amount specified in the Index Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (delete inapplicable) the Knock-out Level.]/[Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Knock-out Level: | [Specify] |
| (ii) Knock-out Period Beginning Date: | [Specify] |
| (iii) Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (iv) Knock-out Determination Day(s): | Each Scheduled Trading Day in the Knock-out Determination Period]/[Other – specify] |
| (v) Knock-out Period Ending Date: | [Specify] |
| (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (vii) Knock-out Valuation Time: | [As specified in the Index Product Conditions]/[Other – |

| | |
|---|---|
| | <i>specify]</i> |
| (o) Automatic Early Redemption Event: | [Where the Index Level (<i>single index</i>) [Basket Price] (<i>basket of indices</i>) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>delete inapplicable</i>) the Automatic Early Redemption Price.]/[Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) |
| (i) Automatic Early Redemption Amount: | [As specified in the Index Product Conditions]/[<i>Other - specify</i>] |
| (ii) Automatic Early Redemption Date(s): | [<i>Specify</i>] |
| (iii) Business Day Convention: | [<i>Specify</i>] |
| (iv) Automatic Early Redemption Level: | [<i>Specify</i>] |
| (v) Automatic Early Redemption Rate: | [<i>Specify</i>] |
| (vi) Automatic Early Redemption Valuation Date(s): | [<i>Specify</i>] |
| (p) Delayed Redemption on Occurrence of Adjustment Event: | [Not Applicable/Applicable] |
| 29 Equity Linked Certificate Provisions: | [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs</i>) [The provisions of the Equity Product Conditions shall apply.] |
| (a) Equity(s)/Equity Issuer: | [<i>Insert type of Equity(s) and Equity Issuer</i>] |
| (b) Exchange(s): | [<i>Specify</i>] |
| (c) Related Exchange(s): | [<i>Specify</i>]/[All Exchanges] |
| (d) Exchange Business Day: | [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis] |
| (e) Scheduled Trading Day: | [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis] (<i>Must match election made for Exchange Business Day</i>) |
| (f) Additional Disruption Events: | [Not Applicable/ Applicable] (<i>If applicable, specify which of the following events are applicable:</i>) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Insolvency Filing]/ [<i>Other - specify</i>] |

- (g) Weighting: [The weighting to be applied to each item composing the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with the General Certificate Conditions]/[*other - specify*]. (*Only applicable in relation to Securities relating to a Basket*)]
- (h) Settlement Price: [As specified in the Equity Product Conditions.]/[*other - specify*]. [*N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*]
- (i) Maximum Days of Disruption: [Scheduled Trading Days]/[*Other -specify*]
- (j) Valuation Date: [As specified in the Equity Product Conditions.] /[*Other - specify*].
- (k) Valuation Time: [As specified in the Equity Product Conditions.] /[*Other - specify*].
- (l) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]
(*Delete if Disrupted Day is not applicable*)]
- (m) Knock-in Event: The amount specified in the Equity Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Knock-in Level.]/[Not applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Knock-in Price: [*Specify*]
- (ii) Knock-in Period Beginning Date: [*Specify*]
- (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (iv) Knock-in Determination Day(s): [*Specify*]/[Each Scheduled Trading Day in the Knock-in Determination Period]
- (v) Knock-in Period Ending Date: [*Specify*]
- (vi) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (vii) Knock-in Valuation Time: [*Specify*]/[As specified in the Equity Product Conditions]

- (n) Knock-out Event: The amount specified in the Equity Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*Delete inapplicable*) the Knock-out Level.]/[Not applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Knock-out Price: [Specify]
- (ii) Knock-out Determination Day(s): [Specify]/[Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Specify]
- (iv) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (v) Knock-out Period Ending Date: [Specify]
- (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (vii) Knock-out Valuation Time: [As specified in the Equity Product Conditions]/[Other - specify].)
- (o) Automatic Early Redemption Event: [Where the Equity Price (*single equity*) [Basket Price] (*basket of equities*) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.]/[Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Automatic Early Redemption Amount: [Specify]/[As specified in the Equity Product Conditions.]
- (ii) Automatic Early Redemption Date(s): [Specify]
- (iii) Business Day Convention: [Specify]
- (iv) Automatic Early Redemption Price: [Specify]
- (v) Automatic Early Redemption Rate: [Specify]
- (vi) Automatic Early Redemption Valuation Date(s): [Specify]
- (p) Redemption on Occurrence of Extraordinary Event: [As specified in the Conditions]/[Not Applicable]
- (q) Delayed Redemption on Occurrence [Not Applicable/Applicable]

| | | |
|----|---|--|
| | of Extraordinary Event: | |
| | (r) Equity Correction Period: | [As specified in the Conditions/[Specify] |
| | (s) Dividend Payment: | [Not Applicable/[Applicable] |
| 30 | Debt Linked Certificate: | [Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs)</i> [The provisions of the Debt Product Conditions shall apply] |
| | (a) Nominal Amount: | The nominal amount which is to be used to determine the Redemption Amount is [●] and the relevant screen page (“ Relevant Screen Page ”) is [●]. |
| | (b) Redemption of Underlying Debt Securities: | Where one or more of the relevant Underlying Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Securities, <i>[insert appropriate fallback provisions]</i> . |
| | (c) Exchange Business Day: | Exchange Business Day means [●]. |
| | (d) Valuation Date: | [As specified in the Debt Product Conditions.] [Other - Specify] |
| | (e) Valuation Time: | [As specified in the Debt Product Conditions.] [Other/ - Specify] |
| | (f) Additional Disruption Events: | [Not Applicable/ Applicable] <i>(If applicable, specify which of the following events are applicable:)</i> [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other - specify] |
| | (g) Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] <i>(Delete if Disrupted Day is not applicable)]</i> |
| | (h) Knock-in Event: | The amount specified in the Debt Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] <i>(Delete inapplicable)</i> the Knock-in Price.]/[Not applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| | (i) Knock-in Price: | [Specify] |
| | (ii) Knock-in Period Beginning Date: | [Specify] |
| | (iii) Knock-in Determination Day(s): | [Specify] |

| | | | |
|--|-------|---|--|
| | (iv) | Knock-in Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (v) | Knock-in Period Ending Date: | [Specify] |
| | (vi) | Knock-in Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (vii) | Knock-in Valuation Time: | [As specified in the Debt Product Conditions] [Other – specify] |
| | (i) | Knock-out Event: | The amount specified in the Debt Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>Delete inapplicable</i>) the Knock-out Price./[Not applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) |
| | (i) | Knock-out Price: | [Specify] |
| | (ii) | Knock-out Period Beginning Date: | [Specify] |
| | (iii) | Knock-out Determination Day(s): | [Specify] |
| | (iv) | Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (v) | Knock-out Period Ending Date: | [Specify] |
| | (vi) | Knock-out Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (vii) | Knock-out Valuation Time: | [As specified in the Debt Product Conditions] [Other - specify] |
| | 31 | Commodity Linked Certificate Provisions: | [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs</i>) [The provisions of the Commodity Product Conditions shall apply] |
| | (a) | Commodity/Commodities: | [Specify Commodity/Commodities] |
| | (b) | Exchange: | [•] |
| | (c) | Exchange Rate: | [•] |
| | (d) | Pricing Date(s): | [Specify] |
| | (e) | Specified Price: | (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked |

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| | price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) [<i>Other – specify</i>]. |
| (f) Delivery Date: | [●]/[Nearby Month] |
| (g) Commodity Reference Price: | [Specify] |
| (h) Bullion Reference Dealers: | [Specify]/[As per Commodity Product Condition1] |
| (i) Additional Disruption Fallback(s): | [Specify]/[Not Applicable] |
| (j) Valuation Date: | [As specified in the Commodity Product Conditions.] [Other – specify] |
| (k) Valuation Time: | [As specified in the Commodity Product Conditions.] [Other - specify] |
| (l) Additional Disruption Events: | [Not Applicable/ Applicable] (If applicable, specify which of the following events are applicable:) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [Other - specify] |
| (m) Averaging Date(s): | [●] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (Delete if Disrupted Day is not applicable)] |
| (n) Knock-in Event: | The amount specified in the Commodity Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (Delete inapplicable) the Knock-in Price.]/[Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Knock-in Price: | [Specify] |
| (ii) Knock-in Period Beginning Date: | [Specify] |
| (iii) Knock-in Determination Day(s): | [Specify] |
| (iv) Knock-in Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (v) Knock-in Period Ending Date: | [Specify] |
| (vi) Knock-in Period Ending Date | [Not Applicable/Applicable] |

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| Scheduled Trading Day Convention: | |
| (vii) Knock-in Valuation Time: | [As specified in the Commodity Product Conditions] [Other – specify] |
| (o) Knock-out Event: | The amount specified in the Commodity Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>Delete inapplicable</i>) the Knock-out Price.]/[Not applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Knock-out Price: | [Specify] |
| (ii) Knock-out Period Beginning Date: | [Specify] |
| (iii) Knock-out Determination Day(s): | [Specify] |
| (iv) Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (v) Knock-out Period Ending Date: | [Specify] |
| (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| (vii) Knock-out Valuation Time: | [As specified in the Commodity Product Conditions] [Other - specify] |
| (p) Automatic Early Redemption Event: | Where the Commodity Price (<i>Single commodity</i>) [Basket Price] (<i>Basket of commodities</i>) is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>Delete inapplicable</i>) the Automatic Early Redemption Price. (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Automatic Early Redemption Amount: | [Specify/See definition in [●]] |
| (ii) Automatic Early Redemption Date(s): | [Specify] |
| (iii) Business Day Convention: | [Specify] |
| (iv) Automatic Early Redemption: | [Specify] |
| (v) Automatic Early Redemption Rate: | [Specify] |
| (vi) Automatic Early Redemption Valuation Date(s): | [Specify] |

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| | (q) Delayed Redemption on occurrence of Market Disruption Event: | [Not Applicable/ Applicable] |
| 32 | Currency Linked Certificate: | [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs</i>) [The provisions of the Currency Product Conditions shall apply.] |
| | (a) Relevant Screen Page: | [Specify] |
| | (b) The relevant base currency (the “ Base Currency ”) is: | [Specify] |
| | (c) The relevant subject [currency/currencies] (each a “ Subject Currency ”) [is/are]: | [Specify] |
| | (d) Valuation Date: | [As specified in the Currency Product Conditions.]/[<i>Other – specify</i>] |
| | (e) Valuation Time: | [As specified in the Currency Product Conditions.]/[<i>Other – specify</i>] |
| | (f) Additional Disruption Events: | [Not Applicable/ Applicable] (<i>If applicable, specify which of the following events are applicable:</i>) [Change of Law]/ [Hedging Disruption]/ [Increased Cost of Hedging]/ [<i>Other - specify</i>] |
| | (g) Averaging Date(s): | [•] [Omission: [Applicable/Not Applicable] Postponement: [Applicable/Not Applicable] Modified Postponement: [Applicable/Not Applicable] (<i>Delete if Disrupted Day is not applicable</i>)] |
| | (h) Knock-in Event: | The amount specified in the Currency Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>delete inapplicable</i>) the Knock-in Level.]/[Not applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) |
| | (i) Knock-in Level: | [Specify] |
| | (ii) Knock-in Period Beginning Date: | [Specify] |
| | (iii) Knock-in Determination Day(s): | [Specify] |
| | (iv) Knock-in Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |

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| | (v) Knock-in Period Ending Date: | [Specify] |
| | (vi) Knock-in Period Ending Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (vii) Knock-in Valuation Time: | [As specified in the Currency Product Conditions] /[Other – specify] |
| | (i) Knock-out Event: | The amount specified in the Currency Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (<i>Delete inapplicable</i>) the Knock-out Level.]/[Not applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>) |
| | (i) Knock-out Level: | [Specify] |
| | (ii) Knock-out Period Beginning Date: | [Specify] |
| | (iii) Knock-out Determination Day(s): | [Specify] |
| | (iv) Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (v) Knock-out Period Ending Date: | [Specify] |
| | (vi) Knock-out Period Beginning Date Scheduled Trading Day Convention: | [Not Applicable/Applicable] |
| | (vii) Knock-out Valuation Time: | [As specified in the Currency Product Conditions]/[Other – specify] |
| 33 | Fund Linked Certificate: | [Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs</i>) [The provisions of the Fund Product Conditions shall apply.] |
| | (a) Whether the Securities relate to a single Fund or a Basket of Funds and the identity of the relevant Fund/Funds: | [Single Fund]/[Basket of Funds] [[●] (ISIN: [●])] (<i>If a Basket of Funds, give details for each Fund</i>) |
| | (b) Reference Fund: | [As per Fund Product Condition 1]/[Other specify]/[Exchange Traded Fund] [Exchange [●]] (<i>ETFs only</i>) |
| | (c) Fund Interest Unit: | The [●] (<i>insert currency</i>) class of the (<i>shares/non-voting shares/participating shares/units</i>) of the Fund (ISIN: [●]) |
| | (d) Fund Interest: | [●] |

- (e) Fund Calculation Date: [●]
- (f) Fund Business Day: [As specified in the Fund Product Conditions]/[Specify]
- (g) Fund Administrator: [Not Applicable]/[●] (Give details)]
- (h) Fund Advisor: [Not Applicable]/[●] (Give details)]
- (i) Fund Manager: [Not Applicable]/[●] (Give details)]
- (j) Fund Service Provider: [As specified in the Fund Product Conditions]/[Specify]
- (k) NAV Barrier: [Specify]
- (l) NAV Trigger Percentage: [Specify]
- (m) NAV Trigger Period: [Specify]
- (n) Number of NAV Publication Days: [Specify]
- (o) Settlement Price: [●]
(Complete only if different from definition contained in the Conditions)
- (p) Additional Extraordinary Fund Event: [●]
- (q) Portfolio: [●]
- (r) Potential Replacement Index: [●] (Give details)
- (s) Final Calculation Date: [As specified in the Fund Product Conditions]/[Specify]
- (t) Termination Date: [●]
- (u) Termination Amount: [●]
- (v) Protected Amount: [Specify]
- (w) Additional Disruption Events: [Not Applicable/Applicable]
(If applicable, specify which of the following events are applicable:)
[Change of Law]/
[Hedging Disruption]/
[Increased Cost of Hedging]/
[Insolvency Filing]/
[(Other – specify)]
- (x) Additional Fund Documents [●] (Give details)
- (y) Weighting: [The weighting to be applied to each item comprising the Basket is [●].]/[Not Applicable]
(Only applicable in relation to Funds Linked Securities relating to a Basket)
- (z) Averaging Date(s): [●]
- (aa) Knock-in Event: The amount specified in the Fund Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (Delete inapplicable) the Knock-in Price.]/[Not applicable]
(If not applicable, delete the remaining sub-paragraphs)

- of this paragraph)*
- (i) Knock-in Price: [Specify]
 - (ii) Knock-in Period Beginning Date: [Specify]
 - (iii) Knock-in Determination Day(s): [Specify]
 - (iv) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (v) Knock-in Period Ending Date: [Specify]
 - (vi) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (vii) Knock-in Valuation Time: [As specified in the Fund Product Conditions] [*Other – specify*]
- (bb) Knock-out Event: The amount specified in the Fund Product Conditions where such amount is [greater than]/[greater than or equal to]/[less than]/[less than or equal to] (*Delete inapplicable*) the Knock-out Price.]/[Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Knock-out Price: [Specify]
 - (ii) Knock-out Period Beginning Date: [Specify]
 - (iii) Knock-out Determination Day(s): [Specify]
 - (iv) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (v) Knock-out Period Ending Date: [Specify]
 - (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (vii) Knock-out Valuation Time: [As specified in the Fund Product Conditions] [*Other - specify*]
- 34 **Futures Linked Certificate:** [Not Applicable/applicable]
(If not applicable, delete the remaining sub-paragraphs) [The provisions of the Future Product Conditions shall apply]
- (a) Future(s): [Insert type of Future(s)]

- (b) Exchange(s): [Specify]
- (c) Exchange Business Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]
- (d) Scheduled Trading Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]
(Must match election made for Exchange Business Day)
- (e) Additional Disruption Events: [Not Applicable/ Applicable]
(If applicable, specify which of the following events are applicable:)
[Change of Law]/
[Hedging Disruption]/
[Increased Cost of Hedging]/
[Other - specify]
- (f) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with the Conditions]/[Other - specify]. (N.B. Only applicable in relation to Securities relating to a Basket)]
- (g) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Futures Product Condition]. (If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.)
- (h) Valuation Date: [As specified in the Futures Product Conditions.]/[Other – specify]
- (i) Valuation Time: [As specified in the Futures Product Conditions.]/[Other – specify]
- (j) Averaging Date(s): [●]
[Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]
(Delete if Disrupted Day is not applicable)]
- (k) Knock-in Event: The amount specified in the Futures Product Conditions where such amount is [greater than] [greater than or equal to] [less than] [less than or equal to] [within] (Delete inapplicable) the Knock-in Level.]/ [Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Knock-in Price: [Specify]
- (ii) Knock-in Period Beginning Date: [Specify]

- (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (iv) Knock-in Determination Day(s): [Specify]/[Each Scheduled Trading Day in the Knock-in Determination Period]
 - (v) Knock-in Period Ending Date: [Specify]
 - (vi) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (vii) Knock-in Valuation Time: [As specified in the Futures Product Conditions]/[Other – specify]
- (l) Knock-out Event: The amount specified in the Futures Product Conditions where such amount is [greater than] [greater than or equal to] [less than] [less than or equal to] (*Delete inapplicable*) the Knock-out Level.]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Knock-out Price: [Specify]
 - (ii) Knock-out Period Beginning Date: [Specify]
 - (iii) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (iv) Knock out Determination Day(s): [Specify]/[Each Scheduled Trading Day in the Knock-out Determination Period]
 - (v) Knock-out Period Ending Date: [Specify]
 - (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
 - (vii) Knock-out Valuation Time: [As specified in the Fund Product Conditions]/[Other – specify]
- (m) Automatic Early Redemption Event: Where the Future Price (*single future*) [Basket Price] (*basket of futures*) is [greater than] [greater than or equal to] [less than] [less than or equal to] (*delete inapplicable*) the Automatic Early Redemption Price.
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Automatic Early Redemption Amount: [Specify]/[See definition in Futures Product Condition]
 - (ii) Automatic Early Redemption Date(s): [Specify]

- (iii) Automatic Early Redemption Price: [Specify]
- (iv) Automatic Early Redemption Rate: [Specify]
- (v) Automatic Early Redemption Valuation Date(s): [Specify]
- (n) Delayed Redemption on the Occurrence of a Futures Adjustment Event: [Not Applicable/Applicable]
- (o) Futures Correction Period: [As specified in the Futures Product Conditions/Specify]

PROVISIONS RELATING TO INTEREST

- 35 Interest: The Securities [do not] pay interest.
- 36 Fixed Rate Provisions: [Not Applicable/ Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (a) Fixed Rate[(s)] of Interest ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption): [Specify] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[monthly] in arrear].
 - (b) Interest Period End Date(s): [Specify] in each year.
 - (c) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[None]
 - (d) Interest Payment Date(s): [Specify] in each year [adjusted in accordance with
 - (e) Business Day Convention for Interest Payment Date(s): [Specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/[not adjusted]
[Following]/[Modified Following]/[Preceding]/[None]/[Not Applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
 - (f) Fixed Coupon Amount[(s)]: [Specify] per Security
 - (g) Broken Amount: [●]/[Not Applicable]
 - (h) Day Count Fraction: [Actual/Actual [(ISDA)]]/
[Actual/Actual [ICMA]]/
[Actual/365 (Fixed)]/
[Actual/365 (Sterling)]/
[Actual/360]/[30/360]/
[360/360]/[Bond Basis]/

| | | |
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| | | [30E/360 [(ISDA)]]/[Eurobond Basis] |
| | (i) Determination Dates: | [Specify] in each year (<i>Insert regular interest payment dates, ignoring Issue Date or Redemption Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ("ICMA")</i>) |
| | (j) Other terms relating to the method of calculating interest for Fixed Rate Securities: | [Not Applicable]/[Give details] |
| 37 | Floating Rate Provisions: | [Not Applicable/Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| | (a) Interest Period(s): | [Specify] |
| | (b) Interest Period End Date(s): | [Specify] |
| | (c) Business Day Convention for Interest Period End Date(s): | [Following]/[Modified Following]/[Preceding]/[FRN]/[None] |
| | (d) Interest Payment Date(s): Business Day Convention for Interest Payment Date(s): | [Specify] [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] <i>(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)</i> |
| | (e) Interest Payment Date(s): | [Specify] |
| | (f) Specified Period: | [•] |
| | (g) Business Day Convention for Interest Payment Date(s): | [Following]/[Modified Following]/[Preceding]/[FRN]/[None] |
| | (h) Manner in which Rate of Interest and Interest Amount to be determined (including on overdue amounts after Redemption Date or date set for early redemption): | [Screen Rate Determination]/[ISDA Determination]/[Other - specify] |
| | (i) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [Specify] |
| | (j) Screen Rate Determination: | |
| | (i) Reference Rate: | [Specify]/[+/- Margin] <i>(Either LIBOR, EURIBOR or other, although additional information is required if other – [including fallback provisions])</i> |

- (ii) Interest Determination Date(s): *[Specify]*
(Second London business day prior to the start of each Interest Period if LIBOR and second TARGET day prior to the start of each Interest Period if EURIBOR)
- (iii) Specified Time: *[Specify]* *(which will be 11:00 a.m., London time, in the case of LIBOR, or 11:00 a.m., Brussels time, in the case of EURIBOR)*
- (iv) Relevant Screen Page: *[Specify]*
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (k) ISDA Determination:
- (i) Floating Rate Option: *[Specify]*
- (ii) Designated Maturity: *[Specify]*
- (iii) Reset Date: *[Specify]*
- (l) Margin(s): *[+/-][Specify]* per cent. per annum
- (m) Minimum Rate of Interest: *[Specify]* per cent. per annum
- (n) Maximum Rate of Interest: *[Specify]* per cent. per annum
- (o) Day Count Fraction: *[Specify]* [unadjusted]
- (p) Fallback provisions, day count fraction, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Certificates if different from those set out in the Conditions: *[Specify]*
- 38 **Index Linked Interest Certificates:** [Not Applicable/Applicable]
- (a) Index/Index Sponsor: *[Specify name of index/indices]*
[Specify name of index sponsor(s)]
[The [●] Index is a Composite Index] (Specify each Composite Index (if any).)
- (b) Formula: *[Specify]*
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): *[Specify]*
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: *[Specify]*
- (e) Interest Period(s): *[Specify]*

- (f) Interest Period End Date(s): [Specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): [Specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (j) Day Count Fraction: [Specify]
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]
- (l) Valuation Date: [Specify]
- (m) Valuation Time: [Specify]
- (n) Index Correction Period: [As specified in the Conditions]/[Specify]
- (o) Maximum Days of Disruption: [Specify]/[Scheduled Trading Days]
- (p) Exchange(s): [Specify]
- (q) Related Exchange(s): [Specify]/[All Exchanges]
- (r) Exchange Business Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis]
- (s) Scheduled Trading Day: [Single Index Basis]/[All Indices Basis]/[Per Index Basis] *(Must match election made for Exchange Business Day)*
- (t) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●].] [Other - specify]. *(Only applicable in relation to Securities relating to a Basket)*/[Not Applicable]
- (u) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from [●]].
- 39 Equity Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Equity(s)/Equity Issuer: [Insert type of Equity(ies) and Equity Issuer]
- (b) Formula: [Specify] [If formula includes an initial closing price, use term "Initial Price" for relevant definition]
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation

Agent):

- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
- (e) Interest Period(s): [Specify]
- (f) Interest Period End Date(s): [Specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): [Specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable]
(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (j) Day Count Fraction: [Specify]
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (l) Valuation Date: [Specify]
- (m) Valuation Time: [Specify]
- (n) Maximum Days of Disruption: [Specify] [Scheduled Trading Days]
- (o) Exchange(s): [Specify]
- (p) Related Exchange(s): [Specify]/[All Exchanges]
- (q) Exchange Business Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis]
- (r) Scheduled Trading Day: [Single Equity Basis]/[All Equities Basis]/[Per Equity Basis] *(Must match election made for Exchange Business Day)*
- (s) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [Specify]. [Specify other]. (N.B. Only applicable in relation to Securities relating to a Basket)]
- (t) Settlement Price: The Settlement Price will be calculated [Insert calculation method if different from [●]]. [(N.B. If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.)]

- 40 Debt Linked Interest Certificates:** [Not Applicable/Applicable]
- (a) Underlying Debt Securities: [Specify]
 - (b) Formula: [Specify]
 - (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [Specify]
 - (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
 - (e) Interest Period(s): [Specify]
 - (f) Interest Period End Date(s): [Specify]
 - (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
 - (h) Interest Payment Date(s): [Specify]
 - (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
 - (j) Day Count Fraction: [Specify]
 - (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [•].]
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
 - (l) Valuation Date: [Specify]
 - (m) Valuation Time: [Specify]
 - (n) Redemption of Underlying Debt Securities: Where one or more of the relevant Underlying Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Securities, [insert appropriate fallback provisions].
 - (o) Exchange: [•]
 - (p) Exchange Business Day: “**Exchange Business Day**” means [Specify].
- 41 Commodity Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Commodity/Commodities: [•]
 - (b) Formula: [Specify]
 - (c) Party responsible for calculating the [Specify]

Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent):

- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
- (e) Interest Period(s): [Specify]
- (f) Interest Period End Date(s): [Specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (h) Interest Payment Date(s): [Specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (j) Day Count Fraction: [Specify]
- (k) Pricing Date(s): [Specify]
- (l) Commodity Reference Price: [Specify]
- (m) Additional Disruption Fallback(s): [Specify]/[Not Applicable]
- (n) Valuation Date: [Specify]
- (o) Valuation Time: [Specify]

42 Currency Linked Interest Certificates: [Not Applicable/Applicable]

- (a) The relevant base currency (the “Base Currency”) is: [Specify]
- (b) The relevant subject [currency/currencies] (each a “Subject Currency”) [is/are]: [Specify]
- (c) Formula: [Specify]
- (d) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): [Specify]
- (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
- (f) Interest Period(s): [Specify]
- (g) Interest Period End Date(s): [Specify]

- (h) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (i) Interest Payment Date(s): [Specify]
- (j) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (k) Day Count Fraction: [Specify]
- (l) Relevant Screen Page: [Specify]
- (m) Valuation Date: [Specify]
- (n) Valuation Time: [Specify]
- 43 Fund Linked Interest Securities:** [Not Applicable/ Applicable]
- (a) Fund: [Specify]
[The [●] Fund is an ETF] *(Specify each ETF (if any))*
- (b) Fund Equity(ies): [Specify]
- (c) Formula: [Specify]
- (d) Party responsible for calculating the Rate(s) of Interest or Interest Amount(s) (if not the Calculation Agent): [Specify]
- (e) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
- (f) Interest Period(s): [Specify]
- (g) Interest Period End Date(s): [Specify]
- (h) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]
- (i) Interest Payment Date(s): [Specify]
- (j) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not Applicable] *(If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*
- (k) Day Count Fraction: [Specify]
- (l) Fund Documents: [Specify]

- (m) Additional Extraordinary Fund Event(s): [Specify]
- (n) Number of NAV Publication Days: [Specify]
- (o) Settlement Price: [Specify]
- (p) Valuation Time: [Specify]
- (q) Valuation Date: [Specify]
- (r) Consequences of Extraordinary Fund Event: [Specify]
- (s) Exchange: [Specify]/[Not Applicable]
- (t) Termination Amount: [Specify]/[Not Applicable]
- (u) Portfolio: [Specify]/[Not Applicable]
- (v) Additional Provisions: [Specify]
- 44 Futures Linked Interest Certificates:** [Not Applicable/ Applicable]
- (a) Futures: [Insert type of Futures]
- (b) Formula: [Specify] (If Formula includes an initial closing price, use term "Initial Price" for relevant definition)
- (c) Party responsible for calculating Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [Specify]
- (d) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [Specify]
- (e) Interest Period(s): [Specify]
- (f) Interest Period End Date(s): [Specify]
- (g) Business Day Convention for Interest Period End Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not applicable]
- (h) Interest Payment Date(s): [Specify]
- (i) Business Day Convention for Interest Payment Date(s): [Following]/[Modified Following]/[Preceding]/[FRN]/[None]/[Not applicable] (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) is (are) expressed to be a number of Business Days after the relevant Interest Period End Date, Interest Payment Date(s) must be subject to the same Business Day Convention)
- (j) Day Count Fraction: [Specify]
- (k) Averaging: Averaging [applies/does not apply]. [The Averaging Dates are [●].]
[In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.]

- (l) Interest Valuation Time: [Specify]
- (m) Valuation Date: [Specify]
- (n) Exchange(s): [Specify]
- (o) Exchange Business Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis]
- (p) Scheduled Trading Day: [Single Future Basis]/[All Futures Basis]/[Per Futures Basis] (*must match election made for Exchange Business Day*)
- (q) Weighting: [The Weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [Specify]. [Specify other]. (*Only applicable in relation to Securities relating to a Basket*)
- (r) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Futures Product Condition 3*]. (*If Settlement Price includes formula incorporating initial closing price, use term "Initial Price" for relevant definition.*)

ISSUER CALL OPTION IN RESPECT OF SECURITIES

- 45 Issuer Call Option: [Not Applicable/Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [Specify]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [Specify]
- (c) Notice period (if different from those set out in the Conditions): [Specify]

HOLDER PUT OPTION IN RESPECT OF SECURITIES

- 46 Securityholder Put Option: [Not Applicable/Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s): [Specify]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [Specify]
- (c) Put Option Notice Period: [As per Condition 8(c)][*Other - specify*]

PROVISIONS RELATING TO OBLIGATORY REDEMPTION

- 47 Obligatory Redemption: [Not Applicable/Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Obligatory Redemption Date: [Specify]

- (b) Obligatory Redemption Amount of *[Specify]*
each Certificate and method, if any,
of calculation of such amount:

PROVISIONS RELATING TO VALUATION ON REDEMPTION

- 48 Redemption Amount: *[Insert details of Redemption Amount/Redemption Amount and how it is to be calculated for Cash Settled Securities]*
- 49 Automatic Early Redemption Level: *[•]*
- 50 Strike Date: *[Specify]*
(N.B. Only relevant for certain Index Linked Certificates and Equity Linked Certificates)
- 51 Valuation Date: *[Specify]*
- 52 Averaging: Averaging *[applies]/[does not apply]* to the Securities.
[The Averaging Dates are [Specify].] (Not applicable to inflation Index Linked Certificates)

[In the event that an Averaging Date is a Disrupted Day [Omission]/[Postponement]/[Modified Postponement] will apply.] (Not applicable for Commodity Linked Certificates)

[In the event of Modified Postponement applying, the Averaging Date will be determined [Specify relevant provisions] (Only applicable in relation to Debt Linked Certificates, Currency Linked Certificates or Fund Linked Certificates).]
- 53 Cut-off Date: *[As defined in the Conditions][Specify]*

DISTRIBUTION

- 54 Method of distribution: *[Syndicated/Non-Syndicated]*
- (a) If syndicated, names and addresses of Managers and underwriting commitments: *[Not Applicable]/[Give names, and addresses and underwriting commitments] (Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)*
- (b) Date of Subscription Agreement: *[•]*
- 55 If non-syndicated, name and address of relevant Dealer: *[Not Applicable]/[Give name and address]*
- 56 [Total commission and concession: *[[•] per cent. of the aggregate nominal amount/Certain fees or commissions will be payable to third party distributors and/or the Securities will be sold at a discount to the Issue Price on the primary sale of the Securities/Not Applicable/[•] (Other - specify)]*

57 Non-exempt Offer:¹⁷

[Not Applicable]/[An offer of Securities may be made by the Manager[s] [and [Specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known, OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known (together with the Managers, the “**Financial Intermediaries**”))] other than pursuant to Article 3(2) of the Prospectus Directive in [Specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (the “**Public Offer Jurisdictions**”) during the period from [Specify date] until [Specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (the “**Offer Period**”). See further Paragraph 9 of Part B below.

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

58 Additional Selling Restrictions;

[Insert any additional selling restrictions]

[Listing Application]

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Securities described.]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. The information included in [the Annex] (the “[●] **Information**”) consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

¹⁷ Not relevant for an issue of Certificates with an issue price equal to or greater than EUR 50,000 (or its equivalent in another currency), which will increase to EUR100,000 (or its equivalent in another currency) upon implementation of Directive 2010/73/EU.

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B – OTHER INFORMATION

1 Listing and Admission to trading:

[The Securities are unlisted]/[Application has been made to list the Securities on [NYSE Euronext in Amsterdam]/[the Regulated Market of the Luxembourg Stock Exchange]/[Specify other exchange]].

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

2 [Ratings]

Ratings:

[The Securities to be issued have not been rated:
Credit ratings in relation to the Issuer included or referred to in these Final Terms and the Base Prospectus have been issued by Standard & Poor's, Moody's and Fitch Ratings Ltd, each of which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]¹⁸

[The Securities to be issued have been rated:

[Standard & Poor's: [●]

[Moody's: [●]

[Other: [●]]

[The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]

(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 Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

¹⁸ Insert if the Notes are not rated and being publicly offered.

3 [Risk Factors]

[include any product-specific risk factors which are not covered under “Risk Factors” in the Base Prospectus. If any such additional risk factors need to be included, consideration should be given as to whether they constitute “significant new factors” and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48-hour time period or (ii) a Prospectus.]]

4 [Notification]

The Authority for the Financial Markets, which is the Netherlands competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

The Issuer has authorised the use of these Final Terms and the Base Prospectus dated 27 October 2011 by [the Managers] and [include names [and addresses] of other financial intermediaries involved in the offer] (the “**Distributors**” [and, together with the Managers, the “**Financial Intermediaries**”]) in connection with offers of the Securities to the public in [insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported] for the period set out in paragraph [●] below.]

5 [Interests of Natural and Legal Persons Involved in the [Issue/Offer]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.”]

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

6 [Reasons for the Offer, Estimated Net Proceeds and Total Expenses]¹⁹

(a) Reasons for the offer:

[●]

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

(b) Estimated net proceeds:

[●]

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

¹⁹ Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

- amount and sources of other funding.)
- (c) Estimated total expenses: [●] [Include breakdown of expenses]
- (d) [Fees [●] [Include breakdown of fees]]

7 Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

[need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying and the circumstances when the risks are most evident.] [Where the Underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]

8 Operational Information

- (a) ISIN: [●]
- (b) Common Code: [●]
- (c) Relevant Clearing System(s): [Euroclear Netherlands]/
[Euroclear or Clearstream, Luxembourg]
[Other - specify]
- (d) If other than Euroclear Netherlands, include the relevant identification number(s): [Identification number(s):]

9 Terms and Conditions of the Public Offer

- (a) Offer Price: [Issue Price]/[Give details]
- (b) Conditions to which the offer is subject: [Not Applicable]/[Give details]
- (c) Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Not Applicable]/[Give details]
- (d) The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable]/[Give details]
- (e) A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable]/[Give details]
- (f) Details of the minimum and/or maximum amount of application:²⁰ [Not Applicable]/[Give details]
- (g) [Details of the method and time limits for [Not Applicable]/[Give details]

²⁰ Whether in number of certificates or aggregate amount to invest.

paying up and delivering the Securities:]

- (h) [Manner in and date on which results of the offer are to be made public:] [Not Applicable]/[Give details]
- (i) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not Applicable]/[Give details]
- (j) [Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:] [Not Applicable]/[Give details]
- (k) [Process for notification to applicants of the amount allotted and an indication whether dealing may begin before notification is made:] [Not Applicable]/[Give details]
- (l) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not Applicable]/[Give details]
- (m) [Conditions to which the offer is subject:] [Not Applicable]/[Give details]
- (n) [Description of the application process:] [Not Applicable]/[Give details]

10 Yield

[Fixed Rate Certificates only]

[An indication of yield. Describe the method whereby that yield is calculated in summary form.]

11 Historic Interest Rates

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

USE OF PROCEEDS

The net proceeds of the Securities will be used by the Issuer for general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear Netherlands, Euroclear or Clearstream, Luxembourg (together, the “**Book-Entry Clearing Systems**”) currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book-Entry Clearing System. Neither the Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Ownership

Euroclear Netherlands

Unless specified otherwise in the relevant Final Terms, all Leverages Certificates will be issued in uncertificated and dematerialised book-entry form in accordance with the Dutch Securities Giro Act (*Wet giraal effectenverkeer*) and the rules, regulations and operating procedures applicable to and/or issued by Euroclear Netherlands from time to time. No physical global or definitive Securities or certificates will be issued in respect of the Securities. Delivery (*uitlevering*) of Securities registered with Euroclear Netherlands shall only be possible in the limited circumstances as described in the Securities Giro Act and such delivery will be made in accordance with such Act and the Regulations.

Euroclear and Clearstream, Luxembourg

Unless specified otherwise in the relevant Final Terms, all Certificates and Warrants will be represented by a Global Security which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Transfers of any interests in Securities represented by a Global Security within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

DESCRIPTION OF BUSINESS OF RABOBANK GROUP

General

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. At 30 June 2011, it comprises 141 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on broad financial services provision in the Netherlands and primarily on the food and agribusiness internationally. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). Standard & Poor's and Moody's revised their outlook on these ratings from stable to negative in 2009. In terms of tier 1 capital, Rabobank Group is among the world's 30 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 892 branches and 2,956 cash-dispensing machines at 30 June 2011, the local Rabobanks form a dense banking network in the Netherlands. The website www.rabobank.nl serves over three million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank Nederland**") is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. 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 banking and international retail banking, asset management, 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 2011, Rabobank Group had total assets of €665.0 billion, a private sector loan portfolio of €440.9 billion, amounts due to customers of €305.4 billion, savings deposits of €137.4 billion and equity of €42.5 billion. Of the private sector loan portfolio, €211.2 billion, virtually all of which are mortgages, consists of loans to private individuals, €149.3 billion of loans to the trade, industry and services sector and €80.4 billion of loans to the food and agri sector. At 30 June 2011, its tier 1 ratio, which is the ratio between tier 1 capital and total risk-weighted assets, was 16.2 per cent. For the six-months period ended 30 June 2011, Rabobank Group's efficiency ratio was 59.7 per cent., and the return on equity, or net profit expressed as a percentage of

tier 1 capital, was 10.8 per cent. For the six-months period ended 30 June 2011, Rabobank Group realised a net profit of €1,854 million and a risk-adjusted return on capital (“**RAROC**”) of 16.8 per cent. after tax. At 30 June 2011, Rabobank Group had 59,380 full-time employees.

Rabobank Group

Rabobank Group organisational chart

Situation at 1 July 2010



The local Rabobanks make up the core of the banking business. They form the heart of the cooperative. Being the umbrella organisation, Rabobank Nederland supports the local Rabobanks, for instance by helping them develop new products and market their services. Rabobank Nederland also carries out staff functions for the local Rabobanks and for Rabobank Group as a whole. Rabobank International applies its expertise towards serving a large number of corporate and retail clients globally. Rabobank Group also provides services via several specialist subsidiaries and associates that operate in different markets under their own labels.

Business activities of Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its subsidiaries, Rabobank Group provides services in the following five core business areas: domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate.

Domestic retail banking

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. (“**Obvion**”) and Rabohypotheekbank N.V. (“**Rabohypotheekbank**”). In the Netherlands, Rabobank is the largest mortgage bank, 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.

At 30 June 2011, Rabobank Group’s domestic retail banking operations had total assets of €371.8 billion, a private sector loan portfolio of €291.3 billion, amounts due to customers of €197.9 billion and savings deposits of €114.7 billion. For the six-months period ended 30 June 2011, Rabobank Group’s domestic retail banking operations accounted for 48 per cent., or €3,511 million, of Rabobank Group’s total income and 57

per cent., or €1,058 million, of Rabobank Group's net profit. At 30 June 2011, Rabobank Group's domestic retail banking operations employed 27,199 full-time employees.

Local Rabobanks

The 141 (at 30 June 2011) local Rabobanks are independent cooperative entities, each with their own operating areas. With 892 branches and 2,956 cash dispensing machines at 30 June 2011, they are one of the leading local banks in the Netherlands with a dense branch network. The website www.rabobank.nl serves over three million online banking customers. Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and the telephone. Together, the local Rabobanks serve approximately 6.8 million private clients and approximately 0.8 million corporate clients in the Netherlands with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with the local Rabobanks. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks traditionally have had close ties with the agricultural sector and, together, they are the largest insurance broker in the Netherlands (source: *Insurance Magazine Yearbook 2010 (AM Jaarboek 2010)*).

Obvion N.V.

Obvion is a joint venture of Rabobank Group and APG (a pension assets manager). It is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers. Rabobank Group has a 50 per cent. shareholding in Obvion and a voting share of 70 per cent.

Rabohypotheekbank

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is owned 100 per cent. 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 2010, Rabohypotheekbank had assets of €10.7 billion.

Wholesale banking and international retail banking

Rabobank International

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agri sector. Rabobank International is a division of Rabobank Nederland and has offices in 29 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, Global Client Solutions, Global Acquisition 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.

Global Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Global Client Solutions offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors: wind, solar, biofuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland and New Zealand.

Rabobank's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly-owned subsidiary, and the Polish Bank BGZ, in which Rabobank International has a 59 per cent. stake. The Polish State floated part of its shares in Bank BGZ in the first half of 2011. As a result, 12 per cent. of the shares have been publicly traded on the Polish stock exchange since the end of May 2011.

Over the last few years, Rabobank International has strengthened its position in retail banking. It expanded its activities in the United States by acquiring Community Bank of Central California in 2006 and Mid-State Bank & Trust in 2007. Smaller acquisitions of retail banking activities were made in Chile and Indonesia in 2007. In 2008, Rabobank International increased its 46 per cent. stake in the Polish Bank BGZ to a majority interest of 59 per cent. In 2010 Rabobank acquired Napa Community Bank as well as specific assets and liabilities of Butte Community Bank and Pacific State Bank in California.

In addition, Rabobank International has interests in private equity. Under the Rabo Capital label, Rabobank Group's investment unit, Rabo Private Equity, focuses on medium-sized Dutch enterprises. Its Rabo Ventures label focuses on new enterprises in the clean technology sector. Rabobank also participates in independent private equity enterprises such as Langholm and a number of Gilde funds.

At 30 June 2011, Rabobank Group's wholesale banking and international retail banking operations had total assets of €450.2 billion and a private sector loan portfolio of €97.8 billion. For the six-months period ended 30 June 2011, Rabobank Group's wholesale banking and international retail banking operations accounted for 29 per cent., or €2,092 million, of Rabobank Group's total income and 27 per cent., or €506 million, of Rabobank Group's net profit. At 30 June 2011, Rabobank Group's wholesale banking and international retail banking operations employed 15,572 full-time employees.

Asset management

Rabobank Group's asset management business is handled by Robeco Group N.V. ("**Robeco**"), an asset manager with global operations, as well as by the Swiss private bank, Bank Sarasin & Cie S.A. ("**Sarasin**") and by Schretlen & Co N.V. ("**Schretlen & Co**"), a Dutch private bank. Rabobank Group has a 46 per cent. stake in Sarasin and a voting share of 69 per cent.

At 30 June 2011, the assets under management and held in custody for clients of Rabobank Group's asset management operations amounted €269.4 billion. For the six-months period ended 30 June 2011, Rabobank Group's asset management operations accounted for 9 per cent., or €691 million, of Rabobank Group's total income and 7 per cent., or €135 million, of Rabobank Group's net profit. At 30 June 2011, Rabobank Group's asset management operations employed 3,104 full-time employees.

Robeco Groep N.V.

Robeco was founded in Rotterdam in 1929. It provides investment products and services to both institutional and private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-

income investments and money market funds and alternative investments funds. In addition to its offices in the Netherlands, Robeco has branches in Europe, the United States, Asia and the Middle East.

Rabobank Nederland owns a 100 per cent. equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to €4,537,803 (4,537,803 shares with a nominal value of € 1 each) at 31 December 2010.

For the year ended 31 December 2010, Robeco's net profit was €97 million, corresponding to a profit of €21.4 per share. At 31 December 2010, Rabobank Nederland's liabilities to Robeco amounted to €621 million (bonds), €568 million (current accounts), €28 million (loans and deposits) and €19 million (derivatives). At 31 December 2010 Rabobank Nederland's claims on Robeco amounted to €253 million (loans), €154 million (current accounts), €1 million (professional securities transactions) and €295 million (derivatives).

At 30 June 2011, Robeco managed €149.3 billion in assets.

Bank Sarasin & Cie S.A.

Founded in 1841, the Sarasin Group is one of Switzerland's leading private banks. Rabobank Group has a 46 per cent. shareholding in Sarasin and a voting share of 69 per cent. Sarasin's shares are listed at the Swiss stock exchange SWX. The Sarasin Group prioritises sustainability. The Sarasin Group offers a high level of services and expertise as an investment advisor and asset manager for high net-worth private individuals and institutional clients. Internationally, the Sarasin Group operates in 15 countries in Europe, the Middle East and Asia. Rabobank clients have access to Sarasin's investment funds through the local Rabobanks.

At 30 June 2011, Sarasin managed €83.1 billion in assets.

Schretlen & Co N.V.

Schretlen & Co is the asset management specialist within Rabobank Group. The business is focused primarily on high net-worth individuals and medium-sized institutional investors in the Netherlands. Its core activities comprise asset management and advice, combined with estate planning. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Rabobank Nederland owns a 100 per cent. equity interest in Schretlen & Co.

At 30 June 2011, Schretlen & Co managed €8.6 billion in assets.

Leasing, De Lage Landen International B.V.

De Lage Landen International B.V. ("**De Lage Landen**") is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 35 countries. With its innovative finance programmes, De Lage Landen stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Landen strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand.

Rabobank Nederland owns a 100 per cent. equity interest in De Lage Landen. De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to €98,470,307 all of which is owned by Rabobank Nederland. At 31 December 2010, Rabobank Nederland's liabilities to De Lage Landen amounted to €1,205 million. At 31 December 2010 Rabobank Nederland's claims on De Lage Landen amounted to €22,662 million (loans, current accounts, financial assets and derivatives). All liabilities of De Lage Landen are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

At 30 June 2011, De Lage Landen had a loan portfolio of €25.9 billion. For the six-months period ended 30 June 2011, De Lage Landen accounted for 9 per cent., or €645 million, of Rabobank Group's total income and 8 per cent., or €154 million, of Rabobank Group's net profit. At 30 June 2011, Rabobank Group's Leasing operations employed 4,884 full-time employees.

Real estate, Rabo Vastgoedgroep N.V.

Rabo Real Estate Group (Rabo Vastgoedgroep N.V. ("**Rabo Vastgoedgroep**")) is a prominent real estate enterprise. It operates in the private and corporate markets and has three core activities: residential and commercial real estate development, real estate finance and serving real estate investors. Bouwfonds Property Development is responsible for residential development and MAB Development for the development of commercial real estate. Financing commercial real estate is done by FGH Bank. Bouwfonds REIM is responsible for real estate related investments. In addition to these three core activities, Rabo Real Estate Group contributes to social real estate development and financing through Fondsenbeheer Nederland.

For the six-months period ended 30 June 2011, the Rabo Real Estate Group sold 3,567 houses. At 30 June 2011 Rabo Real Estate Group managed €7.3 billion of real estate assets and its loan portfolio amounted to €18.5 billion. For the six-months period ended 30 June 2011, the Real Estate operations accounted for 4 per cent., or €310 million, of Rabobank Group's total income and 5 per cent., or €87 million, of Rabobank Group's net profit. At 30 June 2011, Rabobank Group's Real Estate operations employed 1,598 full-time employees.

Participations

Eureko B.V.

Rabobank has a 31 per cent. interest in Eureko B.V. ("**Eureko**"). Rabobank does not exercise control over Eureko and therefore does not consolidate Eureko as a subsidiary in Rabobank's financial statements. Eureko is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. With a workforce of approximately 22,397 full-time equivalents, Eureko is the market leader in the area of insurance in the Netherlands (source: *Eureko Annual Report 2010*), where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Eureko occupies a relatively minor position outside the Netherlands, operating in seven other European countries. Rabobank and Eureko work closely together in the area of insurance. Achmea, which is part of Eureko, operates in the Dutch domestic market with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekeringen and Zilveren Kruis Achmea. Interpolis is the prime supplier of insurance products to clients of the local Rabobanks, offering a broad range of non-life, health and life insurance policies for both private individuals and enterprises. Serving over a million private individuals and several hundreds of thousands of enterprises, Interpolis is one of the major players in the Dutch insurance market and in the agricultural sector.

Recent developments

Planned exchange of Rabobank Member Certificates

In October 2011, the Rabobank Member Certificates were exchanged. On that occasion, holders of a former Rabobank Member Certificate received new Rabobank Member Certificates as well as a payment in cash equalling the difference between the former Rabobank Member Certificate's net asset value and the new Rabobank Member Certificate's nominal value. Certificates are depository receipts of participation rights directly issued by Rabobank Nederland. The exchange enables the capital represented by the former Rabobank Membership Certificates to continue to be qualified as core capital (common equity tier 1) for Rabobank Nederland.

Fitch Rating

On 13 October 2011, Fitch published a press statement in which it announced that it has placed the long-term issuer default rating (IDR) of Rabobank Group as well as Rabobank Nederland of AA+ on 'Rating Watch Negative'.

Strategy of Rabobank Group

Rabobank's strategic objectives are set out in its Strategic Framework. Following changes in the Dutch banking market that took place in 2008, and the turbulent developments in the international financial markets, Rabobank Group formulated certain adjustments to its Strategic Framework and, at the end of 2008, Rabobank Group introduced a revised Strategic Framework covering the period 2009-2012. Under these proposals, the principles of the previous framework were refocused and reprioritised in several areas. Rabobank approved the new Strategic Framework on 18 March 2009 in its Central Delegates Assembly.

The Strategic Framework offers Rabobank Group the opportunity to hold a strong market position in the Netherlands and abroad in the long term, and also provides a basis for continuing as a going concern and creating customer value. Moreover, Rabobank is taking steps in anticipation of the new regulations relating to solvency and liquidity introduced by the Basel Committee on Banking Supervision.

Strategy principles

As a cooperative, Rabobank prioritises clients' interests, and Rabobank's structure and processes are focused accordingly. Through their influence and control, members enforce discipline on the cooperative.

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Rabobank believes that the diversification within the group benefits its financial stability, and that Rabobank Group's broad range of knowledge and expertise results in innovation and synergies within Rabobank. Market leadership remains important to Rabobank Group, but Rabobank believes this must be balanced with prudent margins and Rabobank Group's cooperative mandate.

International growth is necessary because opportunities for growth in the domestic market are set to gradually level out. Moreover, Rabobank believes food and agri is an attractive niche because of its global knowledge of food and agri, which it attributes to its connection with the agricultural and horticultural sectors of the Dutch market. Rabobank International also intends to expand its activities in sustainable energy and clean technology.

Under the present economic conditions, Rabobank believes a high credit rating is important and that a healthy balance sheet, stable profit growth and a high tier 1 ratio are prerequisites for a high credit rating.

In addition, the Corporate Social Responsibility ("CSR") policy within Rabobank Group, including its core banking processes, must meet high standards.

Strategy adjustment

Under the revised Strategic Framework, Rabobank is putting greater emphasis on sound balance sheet ratios. Growth in lending largely depends on growth in amounts due to customers and, as a result, Rabobank believes that both the local Rabobanks and Rabobank International should provide for a significant part of their own funding. Expansion of the activities of subsidiaries will be aligned with the volume of funding available at Rabobank Group level.

In the Netherlands, Rabobank aims to be the largest bank for corporate enterprises. A stronger position in the corporate market offers banks additional opportunities to the "private entrepreneur" as well. Rabobank also

seeks further growth in the private-banking segment through differentiated customer service, collaboration with subsidiaries and improved quality of advice.

Rabobank aims to develop further as a cooperative. The revised Strategic Framework will enable local Rabobanks to respond to changing client priorities. At the same time, the programme introduces an optimised servicing model and produces cost reductions from standardisation. In order to maintain their market leadership, the local Rabobanks must operate at competitive rates.

Rabobank International will focus more on Rabobank Group's core activities. In the Netherlands, this means supporting Rabobank Group's aim to be the largest corporate bank in the Netherlands. Outside the Netherlands, Rabobank International intends to focus more on food and agri. In addition, Rabobank International plans to expand its activities in the areas of sustainable energy and clean technology. Global Financial Markets will confine itself to client-related activities and liquidity management; other activities will be phased out. In the Netherlands, Rabo Development intends to gradually increase the number of minority interests in partner banks having a food and agri focus in developing countries. Abroad, the Rabobank Foundation will focus on countries where Rabobank International and/or Rabo Development operate.

Rabobank Group's subsidiaries will similarly focus more on supporting the realisation of Rabobank Group's core objectives: market leadership in all-finance services in the Netherlands and building up a distinct position as the world's pre-eminent food and agri bank. Other important main functions of the subsidiaries and participations will continue to be leveraging of specialisations and achieving sound financial returns.

Strategic core objectives

Rabobank Group's strategic core objectives are:

- to achieve all-finance market leadership in the Netherlands;
- to strengthen Rabobank's position as the leading international food and agri bank;
- to expand, and develop additional synergies with, Rabobank Group subsidiaries.

Strategy for domestic retail banking

Rabobank Group aims to be the market leader in all-finance in the Netherlands. The local Rabobanks and Obvion's mortgage sales are important components in this strategy. In its strategy update, Rabobank indicated that it aims to be the largest corporate bank in the Netherlands. In order to achieve this, Rabobank must improve on its current market position, particularly at the high end of the market. Rabobank also aims to expand in the private banking market. As a result of the increased focus on strong balance sheet ratios, the local Rabobanks intend to finance a large proportion of their increased lending from growth in amounts due to customers.

Strategy for wholesale banking and international retail banking

In accordance with Rabobank Group's strategy, Rabobank International focuses on the food and agri sector and aims to expand its global network for both its wholesale and retail rural banking activities in major agricultural markets. By providing international operations to both the high end of the corporate market and to retail clients in the Netherlands, Rabobank International's strategy contributes to Rabobank Group's strengthening of its all-finance position. The food and agri product range will be improved and enlarged through collaboration with Rothschild Investment Banking. The international retail banking business continues to grow, particularly in the core markets of Australia, New Zealand, the United States, Brazil and Poland. Following an adjustment in Rabobank International's business model for Global Financial Markets, Rabobank International will focus more on its core clients while reducing the number of complex products. Products relating to sustainable energy and clean technology will be developed further.

Strategy for asset management

The asset manager Robeco and the private banks Sarasin and Schretlen & Co offer high-quality services to different types of investors. The range of innovative products and services offered will be expanded. Both the distribution network and the institutional sales and asset management activities will be expanded on a selective basis. At the same time, Rabobank Group aims to strengthen its position in the market for high net-worth individuals and institutional investors and consolidate its positions in the Netherlands and abroad.

Strategy for leasing

De Lage Landen provides a wide range of lease and factoring products to Rabobank clients and contributes to the strengthening of Rabobank Group's position in the Dutch market for consumer loans. On a global scale, De Lage Landen offers finance solutions for producers and distributors of capital assets.

Strategy for real estate

Rabo Real Estate Group is the largest integrated real estate enterprise in the Netherlands (measured by Rabobank's own surveys). One of its objectives is to be the most sustainable real estate enterprise in the Netherlands. Rabo Real Estate Group aims to help clients achieve their ambitions in terms of housing, working, shopping, leisure and investing in pleasant and sustainable surroundings. It aims to retain, strengthen and where possible expand its strong market positions in the Netherlands. Internationally, Rabo Real Estate Group anticipates controlled growth of its activities, particularly in Germany and France.

Corporate social responsibility

One of the cornerstones of the Strategic Framework is a high-quality policy for corporate social responsibility. Within this scope, Rabobank continued to develop its CSR policy and activities in 2010 and in the first half of 2011.

Employees

Rabobank Group needs the right people to achieve its strategic goals. Rabobank invests in its employees, not just in terms of their conditions of employment, but also by providing training, opportunities for growth and healthcare, and helping employees achieve a good work/life balance. Rabobank Group's workforce is ageing, and in a changing and innovative environment such as Rabobank's, it is vital that its employees are versatile and have the relevant skills. Rabobank also prioritises talent development, diversity and raising awareness of CSR among its employees.

For the year ended 31 December 2010, 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 2011, Rabobank Group employed 59,380 full-time employees.

Competition

Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, 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 savings deposits. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, ING Group and SNS Reaal, received financial support from the Dutch government. These

developments may affect the competitive environment in which Rabobank Group operates in the Netherlands and Rabobank expects competition in the Dutch savings market to continue in the second half of 2011 and in 2012.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 64 per cent. Historically, mortgage lending in the Netherlands has been relatively low-risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

Market shares in the Netherlands

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

Residential mortgages: For the six-months period ended 30 June 2011, Rabobank Group had a market share of approximately 29.0 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (25.7 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 (measured by Rabobank's own surveys).

Saving deposits of individuals: At 30 June 2011, Rabobank Group had a market share of approximately 39.4 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits. Of the total saving deposits in the Netherlands, 38.0 per cent. are held by the local Rabobanks and 1.4 per cent. are held by Robeco Direct's savings bank Roparco.

Lending to small and medium-sized enterprises: At 30 June 2011, Rabobank Group had a market share of approximately 42 per cent. of domestic loans to the trade, industry and services sector (i.e. small enterprises with fewer than 100 employees; measured by Rabobank's own surveys).

Agricultural loans: At 31 December 2010, Rabobank Group had a market share of approximately 84 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (measured by Rabobank's own surveys).

Properties

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank believes that Rabobank Group's facilities are adequate for its present needs in all material respects.

Insurance

On behalf of all entities of Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Rabobank is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

Legal proceedings

Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against Rabobank Group which arise in the ordinary course of its 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, Rabobank believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any threatened proceedings and litigation, will not have a material adverse or significant effect on Rabobank Group's financial condition or profitability, given its size, robust balance sheet, stable income stream and prudent provisioning policy.

RABOBANK GROUP STRUCTURE

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, asset management, leasing and real estate services. Its focus is on all-finance services in the Netherlands and on food and agri business internationally. Rabobank Group comprises independent local Rabobanks plus Rabobank Nederland, their umbrella organisation, and a number of specialist subsidiaries. Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad.

The umbrella organisation of Rabobank Group, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands and was incorporated with unlimited duration on 22 December 1970. A cooperative under the laws of the Netherlands has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland was registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands in December 1970 under number 30046259. The executive offices are located at Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000.

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares. As of 1 July 2010, as approved by the General Meeting on 17 June 2010, the total number of outstanding shares of Rabobank has been increased from 4,001,200 to 6,001,800 shares of €1,000 each, thus increasing the share capital of Rabobank Nederland from €4,001 million to €6,002 million. On the basis of a prescribed allocation formula, taking into account the total balance sheet position, tier 1 capital and commercial profits of each local Rabobank, these shares were distributed to the members. In 2010, a dividend of €438 million, as approved by the General Meeting, was distributed to the local Rabobanks and in 2011, a dividend of €483 million, as approved by the General Meeting, was distributed to the local Rabobanks. At Rabobank Group level, this increase in share capital and these distributions of dividend have no impact on equity.

As members of Rabobank Nederland, the local Rabobanks have certain ownership rights with respect to Rabobank Nederland. However, their position with respect to ownership cannot be compared to the position of shareholders in a corporation. Pursuant to Rabobank Nederland's articles of association, if, in the event of Rabobank Nederland's liquidation, whether by court order or otherwise, its assets should prove to be insufficient to meet its liabilities, the local Rabobanks, as members of Rabobank Nederland at the time of the liquidation as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it should prove impossible to recover the share of one or more liable members or former members in the shortfall, the remaining liable parties shall be liable in the same proportion for the amount not recovered. Under the articles of association of Rabobank Nederland, the total amount for which members or former members are liable shall never exceed 3 per cent. of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the cross-guarantee system and their liability under the compensation agreements (as described below).

Rabobank Nederland's functions within Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into of collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the local Rabobanks, and is the holding company of various subsidiaries.

Through mergers, the number of local Rabobanks has decreased from 153 at 31 December 2008, to 147 at 31 December 2009, to 141 at 31 December 2010 and to 141 at 30 June 2011. The local Rabobanks are organised as cooperative entities under the laws of the Netherlands and draw all of their members from their customers. At 30 June 2011, the local Rabobanks had approximately 1.8 million members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

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

Relationship between Rabobank Nederland and the local Rabobanks

The Rabobank Nederland cooperative and its members

Rabobank Nederland was established for the support of the local Rabobanks' banking business and act as their bankers' bank. In addition, Rabobank Nederland acts as supervisor of the local Rabobanks, partly on behalf of the Dutch supervisory authorities. Only banks that have a cooperative structure and whose Articles of Association have been approved by Rabobank Nederland can be members of Rabobank Nederland. The local Rabobanks also hold shares in the capital of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other that are reflected in the governance structure.

Supervision of local Rabobanks

Pursuant to the prudential supervision part of the Financial Supervision Act and under Rabobank Nederland's Articles of Association and the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on the control over and the integrity of their operations, sourcing, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act, Rabobank Nederland has been appointed by the Dutch Ministry of Finance as the holder of a collective license that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

Internal liability (cross-guarantee system)

Rabobank Group consists of the local Rabobanks, their central organisation Rabobank Nederland and its subsidiaries and other affiliated entities. Through their mutual financial association, various legal entities within Rabobank Group collectively make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Article 3:111 of the Financial Supervision Act. This relationship is formalised in an internal cross-guarantee system (*kruislingse garantieregeling*), which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other

participants must supplement that institution's funds in order to enable it to fulfil those obligations. Within Rabobank Group the participating entities are:

Rabobank Nederland

Local Rabobanks

Rabohypothekbank N.V.

Raiffeisenhypothekbank N.V.

De Lage Landen Financial Services B.V.

De Lage Landen Financiering B.V.

De Lage Landen International B.V.

De Lage Landen Trade Finance B.V.

Schretlen & Co N.V.

The local Rabobanks are also parties to several compensation agreements whereby shortfalls of local Rabobanks with respect to equity, profitability, loan loss reserves and financing losses are financed by charging all other local Rabobanks.

403 Declaration

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of Rabobank Group companies under section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*).

In addition, Rabobank Nederland provides (bank) guarantees in its ordinary course of business.

Rabobank Nederland's activities

Capital adequacy and liquidity

The cross-guarantee system operates in concert with the regulatory and administrative supervision of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on a consolidated basis, based on Article 3:111 of the Financial Supervision Act, Rabobank Nederland has responsibility for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by issuing 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 AFM, 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 consolidated financial statements and the notes thereto of Rabobank Group incorporated by reference in this Base Prospectus. Certain figures for Rabobank Group at and for the year ended 31 December 2009 included in the following discussion have been restated as a result of changes in accounting policies and presentation. See below "Change in accounting policies and certain restatements" for further information. As of 2005, the financial statements have been prepared in accordance with IFRS as adopted by the European Union. The financial data in the (sub) paragraphs in this chapter marked with an asterisk () has not been directly extracted from the audited consolidated 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. At 30 June 2011, it comprises 141 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 48 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At 30 June 2011, Rabobank Group had total assets of €665.0 billion and 59,380 full-time employees.

Rabobank Nederland has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of tier 1 capital, Rabobank Group is among the world's 30 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 892 branches and 2,956 cash-dispensing machines at 30 June 2011, the local Rabobanks form a dense banking network in the Netherlands. The website www.rabobank.nl serves over three million online banking customers. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients and approximately 0.8 million corporate clients, both private and corporate, offering a comprehensive package of financial services.

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

Factors affecting results of operations

General market conditions*

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and increased competition. The financial crisis, which started in the second half of 2007, has affected banks particularly in respect of funding, due to the liquidity shortage. In the Netherlands, competition for savings is likely to continue. The recession impacted Rabobank Group's growth in lending and resulted in loan losses above Rabobank Group's long-term average.

In 2010, 61 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, are impacted by business cycles only in a limited way.

Although Rabobank Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material negative impact on its results of operations. See "*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme – Business and general economic conditions*".

Stock market fluctuations

Since the outbreak of the financial crisis in the second half of 2007, equity markets have been adversely affected. Stock prices dropped significantly in 2008 and in the first quarter of 2009. As share prices improved from the second quarter of 2009, global stock markets made a partial recovery from 2008. Uncertainty among investors and market volatility remain high. A further decline in the stock markets could adversely affect Rabobank Group's results of operations and its financial assets.

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, the relatively low interest rate environment in the Netherlands and Rabobank Group's other major markets has driven growth in mortgage volumes, which is positive. However, a low interest rate environment also adversely affected Rabobank Group's results as, due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest-bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may prolong the upward trend that started in the second half of 2010, Rabobank expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in the second half of 2011 and in 2012, with a corresponding impact on Rabobank Group's results.

As discussed under "*Risk Management - Interest rate risk*", Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

Critical accounting policies

The accounting policies that are most critical to Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Rabobank to make complex judgements based on information and financial data that may change in future periods, the results of which 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 Base Prospectus for additional discussion of the application of Rabobank Group's accounting policies.

Value adjustments

Rabobank regularly assesses the adequacy of the allowance 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 allowances 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 allowances 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. The allowance is set using IFRS-adjusted Basel II parameters.
- An Incurred But Not Reported ("IBNR") allowance 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 IFRS-adjusted expected loss parameters. Furthermore, factors are used which assume that within three to 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 an allowance against the loan balance in the balance sheet.

The Provisioning Committee headed by the CFO decides twice a year on allowance-taking for all impaired loans above a certain threshold (currently over €45 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 and certain restatements

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group for the year ended 31 December 2009 in this Base Prospectus have been restated. With effect from 1 January 2010, the treatment of impairments of “Loans to customers” previously classified as “Available-for-sale financial assets” has changed compared with the 2009 Consolidated Financial Statements. See the Consolidated Financial Statements 2010 Rabobank Group, under note 2.1.1, “Changes in accounting policies and presentation”. Where the year ended 31 December 2010 is compared with the year ended 31 December 2009, the restated figures for 2009 are discussed.

Results of operations

The following table sets forth certain summarised financial information for Rabobank Group for the years indicated:

| | Year ended 31 December | | | |
|---|------------------------|--------------------|---------------|---------------|
| | 2010 | 2009 (restated) | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | | |
| Interest..... | 8,614 | 8,075 | 8,046 | 8,517 |
| Commission | 2,831 | 2,575 | 2,575 | 2,889 |
| Other results | 1,271 | 1,784 | 1,246 | 246 |
| Total income | 12,716 | 12,434 | 11,867 | 11,652 |
| Staff costs | 4,919 | 4,603 | 3,869 | 4,290 |
| Other administrative expenses | 2,706 | 2,908 | 2,908 | 2,796 |
| Depreciation and amortisation | 571 | 527 | 527 | 525 |
| Operating expenses | 8,196 | 8,038 | 7,304 | 7,611 |
| Gross result | 4,520 | 4,396 | 4,563 | 4,041 |
| Value adjustments | 1,234 | 1,959 | 1,959 | 1,189 |
| Operating profit before taxation | 3,286 | 2,437 | 2,604 | 2,852 |
| Taxation..... | 514 | 229 | 316 | 98 |
| Net profit | 2,772 | 2,208 | 2,288 | 2,754 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. Rabobank Group’s total income increased 2 per cent. in 2010, rising to €12,716 million compared to €12,434 million in 2009.

Interest. Due to recovered margins on savings deposits and an increase in lending, interest income increased 7 per cent. to €8,614 million in 2010 compared to €8,075 million in 2009.

Commission. Commission increased 10 per cent. to €2,831 million in 2010 compared to €2,575 million in 2009. Asset management fees rose because more assets were managed for clients.

Other results. Other results fell sharply in 2010 to €1,271 million compared to €1,784 million in 2009. Other results had been relatively high in 2009 due mainly to the amortisation of actuarial gains and the repurchase of debt securities.

Operating expenses. Rabobank Group's operating expenses rose by 2 per cent. in 2010 to €8,196 million compared to €8,038 million in 2009, mainly due to an increase in staff costs because of the devaluation of the euro.

Staff costs. Staff costs increased by 7 per cent. to €4,919 million in 2010 compared to €4,603 million in 2009. Staff costs rose notably at Rabobank International and, to a lesser extent, at De Lage Landen because of the depreciation of the euro. Higher pension costs also contributed to the rise in staff costs.

Other administrative expenses. Other administrative expenses dropped by 7 per cent. to €2,706 million in 2010 compared to €2,908 million in 2009. The administrative expenses dropped due to tighter group-wide cost control and lower costs incurred for the deposit guarantee system.

Depreciation and amortisation. Depreciation and amortisation charges increased 8 per cent. to €571 million in 2010 compared to €527 million in 2009.

Value adjustments. Many of Rabobank Group's corporate clients were able to improve their financial position. As a result, Rabobank made considerably fewer allocations on balance to the allowance for loan losses. Bad debt costs were down mainly at the local Rabobanks, Rabobank International and De Lage Landen. At Group level, value adjustments dropped by 37 per cent., falling to €1,234 million in 2010 compared to €1,959 million in 2009. At 29 basis points of average lending (2009: 48), bad debt costs are still slightly above the long-term average of 23 basis points (based on the period 2000 to 2009).

Taxation. The recognised tax expense was €514 million in 2010 compared to €229 million in 2009, which corresponds to an effective tax rate of 15.6 per cent. (2009: 9.4 per cent.).

Net profit. Net profit increased by 26 per cent. to €2,772 million in 2010 compared to €2,208 million in 2009 primarily due to lower bad debt costs, but also because of higher interest income and a moderate rise in expenses. An amount of €1,846 million (in 2009: €1,395 million) remains net of non-controlling interests and payments on Rabo Member Certificates and hybrid equity instruments. This amount was used to bolster Rabobank's capital position.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. Rabobank Group's total income increased by 2 per cent. to € 11,867 million in 2009 compared to €11,652 million in 2008, due to an increase in other income.

Interest. The local Rabobanks and Robeco Direct saw a decrease in their savings margins due to strong competition in the savings market. This had a significant impact on interest income, which fell by 6 per cent. to €8,046 million in 2009 compared to €8,517 million in 2008. However, a recovery of the margins on new mortgage loans, business loans, lease transactions and property loans had a positive effect on interest income.

Commission. The local Rabobanks experienced a decline in commission from treasury services. At Group level, this was a factor in the 11 per cent. drop in commission income to €2,575 million in 2009 compared to €2,889 million in 2008.

Other results. Other results increased by €1,000 million in 2009 to €1,246 million compared to €246 million in 2008 which was related to rising trading income in the wholesale banking division, the repurchase of debt securities and improved financial performance by Eureko, an associate. The settlement between Eureko and the Polish government in the matter of Polish insurer PZU, in which Eureko has an equity interest, had a positive impact on earnings.

Operating expenses. Cost cuts were achieved throughout Rabobank Group. Total operating expenses decreased by 4 per cent. in 2009, falling to €7,304 million compared to €7,611 million in 2008. Staff costs accounted for 53 per cent. of total operating expenses.

Staff costs. The decrease in clients' activity levels led to an outflow of staff at virtually all Group entities, particularly in the second half of the year. This resulted in a reduction in employee headcount by 2 per cent. to 59,311 (2008: 60,568) full-time employees at group level. Staff costs fell by 10 per cent. to €3,869 million compared to €4,290 million in 2008 as a result of internal staff cuts as well as a sharp reduction in the costs of contract staff and a decrease in pension costs.

Other administrative expenses. Other administrative expenses increased by 4 per cent. to €2,908 million compared to €2,796 million in 2008 due, in particular, to the provision of €200 million that was formed for the collapse of DSB Bank. This provision was formed within the scope of the deposit guarantee scheme.

Depreciation. Depreciation was almost stable at €527 million compared to €525 million in 2008.

Value adjustments. Value adjustments increased at Group level due to the poor economic conditions, which particularly affected the local Rabobanks, but also Rabobank International and De Lage Landen. The "value adjustments" item rose by €770 million to €1,959 million in 2009 compared to €1,189 million in 2008. This corresponds with 48 (2008: 31) basis points of the average loan portfolio volume, which is above the 10-year average of 21 basis points (based on the period 1999 to 2008).

Taxation. The recognised tax expense in 2009 amounted to € 316 million compared to € 98 million in 2008. This corresponds with an effective tax rate of 12.1 per cent. (2008: 3.4 per cent.). The tax-exempt share of profit of associates, including the equity interest in Eureko, is a factor in the lower tax rate.

Net profit. Rabobank Group's net profit decreased by 17 per cent. in 2009 to €2,288 million compared to €2,754 million in 2008. Net of non-controlling interests, payments on Rabobank Member Certificates and hybrid capital instruments, the amount remaining was €1,475 million compared to €2,089 million in 2008.

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 | | |
|------------------------------------|------------------------|--------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Interest..... | 4,894 | 4,360 | 4,758 |
| Commission..... | 1,321 | 1,261 | 1,354 |
| Other results | 294 | 505 | 42 |
| Total income..... | 6,509 | 6,126 | 6,154 |
| Staff costs | 2,160 | 2,196 | 2,264 |
| Other administrative expenses..... | 1,553 | 1,569 | 1,639 |
| Depreciation and amortisation..... | 120 | 133 | 141 |
| Operating expenses..... | 3,833 | 3,898 | 4,044 |
| Gross result..... | 2,676 | 2,228 | 2,110 |

| | Year ended 31 December | | |
|---|------------------------|-------|-------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Value adjustments | 358 | 721 | 199 |
| Operating profit before taxation | 2,318 | 1,507 | 1,911 |
| Taxation..... | 475 | 294 | 478 |
| Net profit | 1,843 | 1,213 | 1,433 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. Domestic retail banking total income increased by 6 per cent., rising to €6,509 million in 2010, compared to €6,126 million in 2009.

Interest. Interest income increased 12 per cent. to €4,894 million in 2010, compared to €4,360 million in 2009, as a result of recovered margins, particularly on savings deposits.

Commission. Commission showed a limited 5 per cent. rise to €1,321 million in 2010, compared to €1,261 million in 2009, in part as a result of the issue of new products.

Other results. Other results were comprised mostly of dividends from Rabobank Nederland; this item amounted to €294 million in 2010, compared to €505 million in 2009.

Operating expenses. Total operating expenses at domestic retail banking decreased 2 per cent. in 2010, falling to €3,833 million in 2010, compared to €3,898 million in 2009, principally as a result of a decrease in staff costs.

Staff costs. There was a decline in costs of contract staff and other staff costs. The headcount was down 4 per cent. to 27,322 full time employees (2009: 28,529). Owing to these developments, staff costs fell by 2 per cent. on balance to €2,161 million in 2010, compared to €2,196 million in 2009.

Other administrative expenses. At €1,553 million in 2010, compared to €1,569 million in 2009, other administrative expenses were virtually stable.

Depreciation and amortisation. Depreciation charges on real estate and equipment were lower in 2010, as a result of which depreciation and amortisation decreased by 11 per cent., dropping to €119 million, compared to €133 million in 2009.

Value adjustments. The economic recovery of 2010 is reflected in developments in bad debt costs at domestic retail banking, which dropped compared to 2009. Value adjustments fell by 50 per cent. to €358 million, compared to €721 million in 2009. This corresponds to 13 (2009: 26) basis points of average lending, which is moving towards the long-term average of 11 basis points (based on the period 2000 to 2009). Of total lending, 69 per cent. is comprised of home mortgage loans. Bad debt costs on home mortgage loans were low at 4 basis points.

Taxation. Taxation increased in 2010 by €181 million to €475 million compared to €294 million in 2009.

Net profit. Net profit increased by 52 per cent. to €1,843 million in 2010 compared to €1,213 million in 2009.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. The domestic retail banking division recorded total income of €6,126 million in 2009 compared to €6,154 million in 2008.

Interest. Strong competition in the savings market led to a decline in the savings margin at the local Rabobanks. Margins on new mortgages and business loans increased. On balance, interest income fell by 8 per cent. to €4,360 million in 2009 compared to €4,758 million in 2008.

Commission. The decrease in commissions on treasury services and lower growth in lending were factors in the 7 per cent. decrease in commissions to €1,261 million in 2009 compared to €1,354 million in 2008.

Other results. Other results rose by €463 million to €505 million in 2009 compared to €42 million in 2008 due to the repurchase of debt securities and dividend income received from Rabobank Nederland.

Operating expenses. Total operating expenses in domestic retail banking were down by 4 per cent. to €3,898 million in 2009 compared to €4,044 million in 2008; expenses fell in the second half of 2009 in particular.

Staff costs. Fewer employees were needed, both at the local Rabobanks and Obvion, resulting in a 1 per cent. reduction in the employee base to 28,529 (2008: 28,953) full-time employees. Due in part to this reduction, the lower number of contract staff and the fall in pension costs, staff costs experienced a 13 per cent. decrease to € 2,196 million in 2009 compared to €2,264 million in 2008.

Other administrative expenses. Other administrative expenses decreased 4 per cent. to €1,569 million in 2009 compared to €1,639 million in 2008, which was due, in part, to lower advertising and office expenses.

Depreciation and amortisation. Depreciation charges fell by 6 per cent. to €133 million compared to €141 million in 2008, partly because of lower depreciation charges on real estate and equipment.

Value adjustments. The ongoing challenging economic situation in the Netherlands has a significant impact on many sectors of the Dutch market. Value adjustments in the food and agri sector are concentrated in glass horticulture. Although there were increases, these increases were relatively low compared to value adjustments in the trade, industry and services sector, where virtually every segment was affected, with the inland water transport sector hit in particular. There was a sharp increase in the number of business failures in the Netherlands, and many enterprises experienced pressure on profitability and liquidity. Businesses that face continuity problems receive intensive counselling and, if so warranted based on the long-term outlook, are given top-up loans to bridge the current period of hardship. Rabobank's credit risk has increased because of the economic conditions, which has resulted in an increase in value adjustments. These were up €522 million in domestic retail banking, increasing to €721 million in 2009 compared to €199 million in 2008. Bad debt costs amounted to 26 (2008: 8) basis points of average lending, which is higher than the 10-year average of 10 basis points (based on the period from 1999 to 2008). Of the loan portfolio, 68 per cent. is comprised of residential mortgages; as in previous years, bad debt costs on this segment of the portfolio were minor at 2 basis points.

Taxation. Taxation decreased in 2009 by €184 million to €294 million compared to €478 million in 2008.

Net profit. Net profit decreased by 15 per cent. to €1,213 million in 2009 compared to €1,433 million in 2008.

Wholesale banking and international retail banking

The following table sets forth certain summarised financial information for Rabobank Group's wholesale banking and international retail banking business for the years indicated:

Year ended 31 December

| | | 2009 | | |
|--|--------------|-------------------|--------------|--------------|
| | 2010 | (restated) | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | | |
| Interest..... | 2,813 | 2,955 | 2,926 | 3,156 |
| Commission | 460 | 488 | 488 | 304 |
| Other results | 306 | (63) | 133 | (1,463) |
| Total income..... | 3,579 | 3,380 | 3,547 | 1,997 |
| Staff costs | 1,020 | 998 | 998 | 909 |
| Other administrative expenses | 811 | 691 | 691 | 715 |
| Depreciation and amortisation | 108 | 94 | 94 | 84 |
| Operating expenses | 1,939 | 1,783 | 1,783 | 1,708 |
| Gross result..... | 1,640 | 1,597 | 1,764 | 289 |
| Value adjustments | 597 | 940 | 940 | 786 |
| Operating profit before taxation..... | 1,043 | 657 | 824 | (497) |
| Taxation..... | 269 | 91 | 178 | (524) |
| Net profit..... | 774 | 566 | 646 | 27 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. Total income at Rabobank International increased to €3,579 million in 2010 compared to €3,380 million in 2009, due chiefly to a rise in other results. The increase was also partly attributable to the depreciation of the euro over the period.

Interest. Interest income fell by 5 per cent. to €2,813 million in 2010, compared to €2,955 million in 2009. Global Financial Markets benefited from developments in the yield curve in 2009, which boosted interest income in 2009.

Commission. Commission fell by 6 per cent. to €460 million compared to €488 million in 2009.

Other results. The rise in other results by €369 million to €306 million in 2010, compared to a negative amount of €63 million in 2009, was attributable in part to a gain of €152 million on the sale of some of the equity interest in Indian-based Yes Bank and to higher trading income at Global Financial Markets.

Operating expenses. Rabobank International's total operating expenses increased by 9 per cent. to €1,939 million, compared to €1,783 million in 2009. The increase was partly attributable to the depreciation of the euro over the period.

Staff costs. Owing in part to an increase in headcount, staff costs increased 2 per cent. to €1,020 million, compared to €998 million in 2009. This increase related to the acquisition of three banks in California and the broadening of activities at Bank BGZ.

Other administrative expenses. Higher consulting and administrative expenses led to a 17 per cent. rise in other administrative expenses to €811 million in 2010, compared to €691 million in 2009.

Depreciation and amortisation. Due to higher amortisation changes on software, depreciation and amortisation charges rose by 15 per cent. to €108 million, compared to €94 million in 2009.

Value adjustments. The upturn in the economy and good credit risk management resulted in a drop in value adjustments at Rabobank International; which decreased 36 per cent. to €597 million, compared to €940 million in 2009. The improved economy resulted in a sharp drop in bad debt costs at the wholesale banking division in particular. Owing in part to the continued recession in Ireland, the decline in value adjustments was more limited at the international retail banking division. Bad debt costs amounted to 64 (2009: 105) basis points of average lending, which is higher than the long-term average of 52 basis points (based on the period 2000 to 2009).

Taxation. Taxation increased in 2010 by €178 million to €269 million compared to €91 million in 2009.

Net profit. Net profit increased by 37 per cent. to €774 million in 2010 compared to €566 million in 2009.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. Income at Global Financial Markets increased in 2009 due to increased client activity in hedging transactions, issue of debt securities and securitisations. Yield curve trends also had an upward effect on income in this division. As a result, wholesale banking had a significant share in the 78 per cent. increase in total income to €3,547 million in 2009 compared to €1,997 million in 2008. The poorer conditions in the private equity market resulted in some impairments. Income decreased at Global Acquisition Finance and Global Client Solutions as a result of lower activity levels. The corporate banking departments experienced higher income in 2009 than in 2008. Income decreased at ACCBank due to poor conditions in the Irish construction and property development sectors. The non-European retail banks saw an increase in income, allowing income from international retail banking to rise by 3 per cent. to € 893 million in 2009 compared to € 864 million in 2008.

Interest. Interest income decreased by 7 per cent. to €2,926 million in 2009 compared to €3,156 million in 2008 at Rabobank International due in part to fewer loans being issued.

Commission. Due in part to an increase in the number of refinancing and restructuring transactions, commission income at Rabobank International rose by 61 per cent. to € 488 million compared to € 304 million in 2008.

Other results. Income at Global Financial Markets increased in 2009 due to increased client activity in hedging transactions, issue of debt securities and securitisations. Yield curve trends also had an upward effect on income in this division. As a result, wholesale banking had a significant share in the rise in other results at Rabobank International by €1,596 million to €133 million in 2009 compared to a loss of € 1,463 million in 2008.

Operating expenses. In 2009 operating expenses at Rabobank International experienced a 4 per cent. increase to €1,783 million in 2009 compared to €1,708 million in 2008.

Staff costs. Staff costs increased 10 per cent. to €998 million in 2009 compared to €909 million in 2008 due to reorganisations and higher pension costs incurred for foreign employees. The employee base decreased by 5 per cent. to 14,534 (2008: 15,223) full-time employees primarily as a result of job cuts at the retail divisions in Australia and New Zealand, at ACCBank, and at Bank BGZ.

Other administrative expenses. Lower marketing and travel expenses were factors in the 3 per cent. decrease in other administrative expenses to €691 million compared to €715 million in 2008.

Depreciation. Depreciation and amortisation charges were up 12 per cent. to €94 million compared to €84 million in 2008 because of higher amortisation of software and intangibles.

Value adjustments. The economic crisis affected nearly every sector of the market. Some Rabobank International clients experienced financial difficulties as a result, which led to an increase in value adjustments. The Irish real estate sector showed a poor performance for the second year in a row. The provisions that were formed for this portfolio had a significant impact on value adjustments at Rabobank International in 2009 as well. Value adjustments rose by €154 million in 2009 to €940 million compared to €786 million in 2008. This corresponds to 105 (2008: 93) basis points of the average loan portfolio, which is above the 10-year average of 48 basis points (based on the period from 1999 to 2008).

Taxation. Taxation was €178 million in 2009 compared to a negative amount of €524 million in 2008.

Net profit. Net profit increased by €619 million to €646 million in 2009 compared to €27 million in 2008.

Asset management

The following table sets forth certain summarised financial information for Rabobank Group's asset management business for the years indicated:

| | Year ended 31 December | | |
|---|------------------------|------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Interest..... | 166 | 104 | 144 |
| Commission | 995 | 757 | 1,084 |
| Other results | 47 | 123 | 390 |
| Total income | 1,208 | 984 | 1,618 |
| Staff costs | 564 | 553 | 559 |
| Other administrative expenses | 287 | 288 | 352 |
| Depreciation and amortisation | 116 | 109 | 102 |
| Operating expenses | 968 | 950 | 1,013 |
| Gross result | 240 | 34 | 605 |
| Value adjustments | 2 | 4 | 42 |
| Operating profit before taxation | 238 | 30 | 563 |
| Taxation..... | 71 | 17 | 125 |
| Net profit | 167 | 13 | 438 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. On the back of higher commissions and higher interest income, total income from asset management was 23 per cent. higher in 2010, at €1,208 million compared to €984 million in 2009. For both Robeco's core business and its subsidiaries, management fees were higher than in 2009.

Interest. Total interest income was 60 per cent. higher in 2010, at €166 million compared to €104 million in 2009, due in particular to growth in Robeco's interest income.

Commission. Commission increased by 31 per cent. to €995 million in 2010, compared to €757 million in 2009. Asset management fees were higher than in 2009 for both Robeco's core business and its subsidiaries

Transtrend and Harbor. The increase in asset management fees is a direct result of the average growth in managed assets and Transtrend's higher performance-related income.

Other results. Sarasin generated less income from trading activities in 2010 and contributed to the €76 million drop in other results to €47 million, compared to €123 million in 2009.

Operating expenses. Sarasin's operating expenses increased as a result of the appreciation of the Swiss franc. Total operating expenses at group level were 2 per cent. higher in 2010, rising to €968 million in 2010, compared to €950 million in 2009, due in part to cost control measures at Robeco.

Staff costs. Staff costs were 2 per cent. higher, rising to €564 million in 2010, compared to €553 million in 2009.

Other administrative expenses. Other administrative expenses were relatively constant at €287 million in 2010, compared to €288 million in 2009.

Depreciation and amortisation. Due to higher amortisation of intangible assets, depreciation and amortisation charges rose by 7 per cent. to €116 million in 2010 compared to €109 million in 2009.

Value adjustments. The total amount of value adjustments for asset management operations was €2 million in 2010 compared to €4 million in 2009.

Taxation. Taxation increased in 2010 by €54 million to €71 million compared to €17 million in 2009.

Net profit. Net profit increased by €154 million to €167 million in 2010.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. In 2008, the gain on the sale of Alex and the performance-related commission fees from Robeco subsidiary Transtrend made a significant contribution to income. In 2009, total income from asset management declined by 39 per cent. to €984 million in 2009 compared to €1,618 million in 2008. Not including the gain on the sale of Alex, the decline was 21 per cent.

Interest. Interest income for Robeco Direct was lower due to fierce competition in the savings market. This was a significant factor in the 28 per cent. decrease in interest income to €104 million in 2009 compared to €144 million in 2008.

Commission. The lower performance-related commission fees at Robeco's subsidiary Transtrend were the main driver for the 30 per cent. decline in total commission income to €757 million compared to €1,084 million in 2008. The regular asset management fees, that depend on average assets managed during the year, dropped slightly.

Other results. Other results decreased by €267 million to €123 million in 2009 compared to €390 million in 2008. Not including the gain on the sale of Alex, other results were € 100 million higher due in part to higher trading results for Sarasin.

Operating expenses. Robeco's operating expenses were lower as a result of the cost-cutting programme. Sarasin's expenses showed a limited increase, despite cost reductions, due to the expansion of its operations. In 2009, total operating expenses for the asset management operations experienced a 6 per cent. decrease to €950 million in 2009 compared to €1,013 million in 2008.

Staff costs. Staff costs decreased by 1 per cent. to €553 million in 2009 compared to €559 million in 2008, mainly as a result of the cost reduction programme at Robeco. This programme resulted in a 3 per cent. decrease in staffing levels to 3,191 (2008: 3,620) full-time employees.

Other administrative expenses. The cost reduction programme at Robeco resulted in other administrative expenses declining by 18 per cent. to €288 million in 2009 compared to €352 million in 2008.

Depreciation. Due in part to higher amortisation of software and intangible assets, depreciation and amortisation charges were 7 per cent. higher at €109 million in 2009 compared to €102 million in 2008.

Value adjustments. In 2008, Sarasin had to recognise value adjustments on financial institutions as a result of the turbulence in the financial markets. There were no additional value adjustments in 2009. Robeco reported value adjustments in 2009 by virtue of the mortgage portfolio. The total amount of value adjustments for asset management operations was €4 million in 2009 compared to €42 million in 2008.

Taxation. Taxation decreased by €108 million to €17 million in 2009 compared to €125 million in 2008.

Net profit. Net profit decreased by €425 million to €13 million in 2009 compared to €438 million in 2008.

Leasing

The following table sets forth certain summarised financial information for Rabobank Group's leasing business for the years indicated:

| | Year ended 31 December | | |
|---|------------------------|--------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Interest..... | 658 | 590 | 530 |
| Commission | 83 | 59 | 61 |
| Other results | 440 | 377 | 424 |
| Total income | 1,181 | 1,026 | 1,015 |
| Staff costs..... | 416 | 375 | 377 |
| Other administrative expenses | 244 | 206 | 188 |
| Depreciation and amortisation | 40 | 35 | 31 |
| Operating expenses | 700 | 616 | 596 |
| Gross result | 481 | 410 | 419 |
| Value adjustments | 214 | 300 | 118 |
| Operating profit before taxation | 267 | 110 | 301 |
| Taxation..... | 66 | (2) | 66 |
| Net profit | 201 | 112 | 235 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. De Lage Landen's total income increased by 15 per cent., rising to €1,181 million in 2010, compared to €1,026 million in 2009. Approximately one third of the increase was due to depreciation of the euro over the period.

Interest. Active portfolio management led to a higher interest margin on new contracts. This, combined with growth in the portfolio, raised De Lage Landen's interest income by 12 per cent. to €658 million, compared to €590 million in 2009.

Commission. Contract renewals caused commission to rise by 41 per cent. to €83 million, compared to €59 million in 2009.

Other results. Other results increased by 17 per cent. to €440 million, compared to €377 million in 2009. The increase in other results was attributable to higher residual value gains on the second-hand car market.

Operating expenses. Total operating expenses at De Lage Landen rose by 14 per cent. to €700 million in 2010, compared to €616 million in 2009. Currency effects accounted for about one third of this rise. After adjustment, a moderate increase in operating expenses remains.

Staff costs. In addition to the depreciation of the euro over the period, the 2 per cent. increase in headcount to 4,835 in 2010 compared to 4,734 in 2009 contributed to the rise in staff costs by 11 per cent. to €416 million in 2010, compared to €375 million in 2009.

Other administrative expenses. Other administrative expenses were up 18 per cent. to €244 million, compared to €206 million in 2009.

Depreciation and amortisation. The depreciation and amortisation item increased by 14 per cent. to €40 million, compared to €35 million in 2009, due to higher amortisation charges of software.

Value adjustments. Value adjustments were down €86 million to €214 million at De Lage Landen in 2010 due to a tight risk management policy and supported by the tentative economic recovery. Expressed in basis points of average lending, bad debt costs stood at 90 basis points (2009: 132 basis points), which is above the long-term average of 63 basis points (based on the period 2000 to 2009).

Taxation. Taxation increased in 2010 by €68 million to €66 million compared to a negative amount of €2 million in 2009.

Net profit. Net profit increased 79 per cent. to €201 million in 2010 compared to €112 million in 2009.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. At De Lage Landen total income increased by 1 per cent. to €1,026 million in 2009 compared to €1,015 million in 2008 as a result of higher interest income.

Interest. Interest income increased by 11 per cent. to €590 million in 2009 compared to €530 million in 2008 due to higher margins on new business and growth in the lending volume.

Commission. Lower agency commission caused total commissions to decrease by 3 per cent. to €59 million in 2009 compared to €61 million in 2008.

Other results. The downturn in the market for second-hand cars led to an 11 per cent. decline in other results to €377 million in 2009 compared to €424 million in 2008.

Operating expenses. Total operating expenses incurred in the leasing division in the reporting period increased by 3 per cent. to €616 million in 2009 compared to €596 million in 2008.

Staff costs. Staff costs fell by 1 per cent. to €375 million in 2009 compared to €377 million in 2008. The acquisition of Masterlease's Italian car leasing operations, which resulted in approximately 45 additional full-time employees, was a factor in the 1 per cent. increase in the total employee base to 4,734 (2008: 4,667) full-time employees.

Other administrative expenses. Other administrative expenses rose by 10 per cent. to €206 million in 2009 compared to €188 million as a result of asset impairments.

Depreciation. Depreciation increased by €4 million to €35 million in 2009 compared to €31 million in 2008.

Value adjustments. The poor economic situation caused value adjustments at De Lage Landen to rise by €182 million to €300 million in 2009 compared to €118 million in 2008. Expressed in basis points of the average lending volume, bad debt costs were 132 (2008: 56) basis points. This is above the 10-year average of 56 basis points (based on the period from 1999 to 2008).

Taxation. Taxation decreased by €68 million to a negative amount of €2 million in 2009 compared to €66 million in 2008.

Net profit. Net profit decreased by 52 per cent. to €112 million in 2009 compared to €235 million in 2008.

Real estate

The following table sets forth certain summarised financial information for Rabobank Group's real estate business for the years indicated:

| | Year ended 31 December | | |
|---|------------------------|------------|------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Interest..... | 253 | 182 | 85 |
| Commission | 26 | 44 | 31 |
| Other results | 214 | 283 | 311 |
| Total income | 493 | 509 | 427 |
| Staff costs | 193 | 196 | 220 |
| Other administrative expenses | 145 | 164 | 131 |
| Depreciation and amortisation | 29 | 37 | 43 |
| Operating expenses | 367 | 397 | 394 |
| Gross result | 126 | 112 | 33 |
| Value adjustments | 63 | 22 | 0 |
| Operating profit before taxation | 63 | 90 | 33 |
| Taxation..... | 21 | 22 | 9 |
| Net profit | 42 | 68 | 24 |

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. During 2010, total income in Rabobank Group's real estate business decreased by 3 per cent. to €493 million in 2009 compared to €509 million in 2008.

Interest. Interest income increased by €71 million to €253 million in 2010 compared to €182 million in 2009, thanks to higher margins on new loans and contract renewals, favourable developments in interest rates and volume growth.

Commission. Commission fell by 41 per cent. to €26 million, compared to €44 million in 2009. Commissions were high in 2009 because of a one-off payment to FGH Bank as a result of the repurchase of debt securities.

Other results. Owing in particular to the fact that Bouwfonds Property Development completed lower priced homes on average, other results dropped to €214 million in 2009, compared to €283 million in 2009.

Operating expenses. Rabo Real Estate Group's total operating expenses declined by 8 per cent. in 2010, falling to €367 million, compared to €397 million in 2009. The drop in other administrative expenses was the main factor in the lower operating expenses.

Staff costs. Staff costs fell by 2 per cent. to €193 million, compared to €196 million in 2009.

Other administrative expenses. The drop in other administrative expenses was the main factor in lower operating expenses. Other administrative expenses were down 12 per cent. to €145 million in 2010, compared to €164 million in 2009, thanks to the cost-cutting programme initiated in 2010.

Depreciation and amortisation. Depreciation and amortisation decreased by €8 million to €29 million in 2010 compared to €37 million in 2009.

Value adjustments. Value adjustments stood at €63 million in 2010, compared to €22 million in 2009, which corresponds to 36 (2009: 14) basis points of average lending. Despite the tentative recovery that started in mid-2009, the Dutch property market continued to suffer the consequences of the credit crunch. Bad debt costs were up at Rabo Real Estate Group because of the late-cycle character of the business.

Taxation. Taxation decreased by €1 million to €21 million in 2010 compared to €22 million in 2009.

Net profit. Net profit decreased by €26 million to €42 million in 2010 compared to €68 million in 2009.

Year ended 31 December 2009 compared to year ended 31 December 2008

Total income. During 2009, total income in Rabobank Group's real estate business increased by 19 per cent. to €509 million in 2009 compared to €427 million in 2008.

Interest. Interest income increased by €97 million to €182 million in 2009 compared to €85 million in 2008, mainly as a result of yield curve trends and higher margins on new real estate loans and renewals.

Commission. Although commission from issues fell owing to lower levels of activity at Bouwfonds REIM, total commissions rose by 42 per cent. to €44 million in 2009 compared to €31 million in 2008 due to the fee received by FGH Bank in connection with the buy-back of debt securities.

Other results. Bouwfonds Property Development sold fewer homes in 2009 than in 2008, and a greater proportion was sold to housing associations and investors at a lower average margin. MAB Development also completed fewer properties in 2009. These developments contributed to the 9 per cent. decline in other results, which fell to €283 million in 2009 compared to €311 million in 2008.

Operating expenses. Total operating expenses increased by 1 per cent. to €397 million in 2009 compared to €394 million in 2008.

Staff costs. Given the deteriorating conditions in the market, Rabo Real Estate Group initiated a major cost-cutting programme in 2009. The immediate result of this step was an 11 per cent. decrease in staff costs to €196 million in 2009 compared to €220 million in 2008. The number of employees decreased by 11 per cent. to 1,549 (2008: 1,743) full-time employees.

Other administrative expenses. The cost-cutting programme led to additional reorganisation expenses. This contributed to a 25 per cent. increase in other administrative expenses to €164 million in 2009 compared to €131 million in 2008.

Depreciation. In 2009, depreciation decreased by €6 million to €37 million in 2009 compared to €43 million in 2008.

Value adjustments. During 2009, FGH Bank had to deal with several clients that had difficulties. As a consequence, value adjustments amounted to €22 million in 2009 compared to nil in 2008. Expressed as a percentage of the average loan portfolio, bad debt costs accounted for 14 basis points.

Taxation. In 2009, taxation increased by €13 million to €22 million in 2009 compared to €9 million in 2008.

Net profit. Net profit increased by €44 million to €68 million in 2009 compared to €24 million in 2008.

Liquidity and capital resources

Rabobank Group's total assets were €665.0 billion at 30 June 2011, a 2 per cent. increase from €652.5 billion at 31 December 2010. The largest proportion of Rabobank Group's existing lending portfolio (not including investments in Dutch treasury securities, other Dutch public sector bonds and securities and interbank deposit placements) consists of residential mortgage loans, which in the Netherlands are primarily fixed rate.

Loan portfolio

Economic growth resulted in an improved investment climate in the Netherlands. Exports increased and Dutch businesses tentatively resumed their capital expenditures. The mortgage portfolio also showed limited growth. The loans to customers item increased by 1 per cent., or €4.2 billion, to €460.1 billion at 30 June 2011 from €455.9 billion at 31 December 2010. Thanks in part to higher corporate loans and private individual loans, the private sector loan portfolio increased by €4.6 billion to €440.9 billion at 30 June 2011, an increase of 1 per cent. from €436.3 billion at 31 December 2010. Loans to private individuals, primarily for mortgage finance, was up €3.2 billion, or 2 per cent., to €211.2 billion at 30 June 2011. 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. Loans to the trade, industry and services sector increased by €1.6 billion to €149.3 billion at 30 June 2011, a 1 per cent. increase compared to 31 December 2010. Lending to the food and agri sector decreased by €0.2 billion to €80.4 billion at 30 June 2011.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2010 and 31 December 2009, by category of borrower:

| | At 31 December | | | |
|--|----------------|-------------|----------------|-------------|
| | 2010 | | 2009 | |
| <i>(in millions of euro and as a percentage of total private sector lending)</i> | | | | |
| Private individuals | 208,005 | 48% | 200,094 | 48% |
| Trade, industry and services sector | 147,669 | 34% | 143,679 | 35% |
| Food and agri sector..... | 80,618 | 18% | 71,462 | 17% |
| Total private sector lending | 436,292 | 100% | 415,235 | 100% |

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 2010 and 31 December 2009:

| | At 31 December | | | |
|--|----------------|-------------|----------------|-------------|
| | 2010 | | 2009 | |
| <i>(in millions of euro and as a percentage of total loans to customers)</i> | | | | |
| Less than one year | 108,260 | 24% | 83,319 | 19% |
| More than one year | 347,681 | 76% | 350,551 | 81% |
| Total loans to customers | 455,941 | 100% | 433,870 | 100% |

Funding

At 30 June 2011, amounts due to customers of Rabobank Group were €305.4 billion, an increase of 2 per cent. compared to 31 December 2010. The balance held in savings deposits increased by €6.5 billion to €137.4 billion, an increase of 5 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by €0.2 billion to €168.0 billion at 30 June 2011. Current account/settlement accounts decreased by €0.2 billion to €86.8 billion. At 30 June 2011, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled €209.7 billion compared to €196.8 billion at 31 December 2010. Savings deposits (except fixed-time deposits, from one month to 10 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 31 December 2010, 31 December 2009 and 31 December 2008:

| Year ended 31 December | | | |
|---|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Savings deposits | 130,928 | 121,373 | 114,680 |
| Other due to customers | 167,833 | 164,965 | 189,534 |
| Debt securities in issue | 196,819 | 171,752 | 135,779 |
| Other financial liabilities at fair value through profit and loss | 29,867 | 27,319 | 24,797 |
| Total | 525,447 | 485,409 | 464,790 |

Rabobank Group also receives funds from the interbank and institutional market. Rabobank Group's total due to other banks were €24.6 billion at 30 June 2011, a 5 per cent. increase from €23.5 billion at 31 December 2010.

Other financial assets*

Other financial assets comprise debt securities and other assets. Other financial assets are subdivided into the following categories:

- Trading financial assets;
- Other financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and

- Held-to-maturity assets.

Other financial assets at 31 December 2010

| | Trading | Other at fair value through profit and loss | Available-for-sale | Held-to-maturity | Total |
|--|---------------|---|--------------------|------------------|---------------|
| <i>(in millions of euro)</i> | | | | | |
| Purchased loans | 2,600 | — | — | — | 2,600 |
| Short-term government securities | 1,292 | — | 1,744 | — | 3,036 |
| Government bonds | 2,351 | 1,018 | 42,963 | 208 | 46,540 |
| Other debt securities | 3,982 | 7,535 | 9,652 | 10 | 21,179 |
| Total debt securities | 10,225 | 8,553 | 54,359 | 218 | 73,355 |
| Venture capital | — | 608 | — | — | 608 |
| Equity instruments | 2,762 | 427 | 1,099 | — | 4,288 |
| Total other assets | 2,762 | 1,035 | 1,099 | — | 4,896 |
| Total | 12,987 | 9,588 | 55,458 | 218 | 78,251 |
| Category 1 ⁽¹⁾ | 6,842 | 2,577 | 49,547 | — | 58,966 |
| Category 2 ⁽¹⁾ | 5,618 | 4,951 | 5,689 | — | 16,258 |
| Category 3 ⁽¹⁾ | 527 | 2,060 | 222 | — | 2,809 |

Note:

- (1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

Other financial assets at 31 December 2009

| | Trading | Other at fair value through profit and loss | Available-for-sale | Held-to-maturity | Total |
|--|---------------|---|--------------------|------------------|---------------|
| <i>(in millions of euro)</i> | | | | | |
| Purchased loans | 3,644 | — | — | — | 3,644 |
| Short-term government securities | 893 | 113 | 887 | — | 1,893 |
| Government bonds | 1,802 | 762 | 14,209 | 360 | 17,133 |
| Other debt securities | 4,094 | 5,780 | 17,228 | 58 | 27,160 |
| Total debt securities | 10,433 | 6,655 | 32,324 | 418 | 49,830 |
| Venture capital | — | 518 | — | — | 518 |
| Equity instruments | 2,328 | 1,949 | 1,025 | — | 5,302 |
| Total other assets | 2,328 | 2,467 | 1,025 | — | 5,820 |
| Total | 12,761 | 9,122 | 33,349 | 418 | 55,650 |
| Category 1 ⁽¹⁾ | 6,010 | 3,548 | 31,265 | — | 40,823 |

Other financial assets at 31 December 2009

| | Trading | Other at fair value through profit and loss | Available-for-sale | Held-to-maturity | Total |
|---------------------------------|----------------|--|---------------------------|-------------------------|--------------|
| <i>(in millions of euro)</i> | | | | | |
| Category 2 ⁽²⁾ | 5,967 | 4,103 | 1,311 | — | 11,381 |
| Category 3 ⁽³⁾ | 784 | 1,471 | 773 | — | 3,028 |

Note:

- (1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

Credit related commitments*

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending related financial instruments. Rabobank's credit risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, Rabobank will make payments on behalf of clients if they are unable to meet their financial obligations to third parties. Rabobank also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

| | At 31 December | | |
|--|-----------------------|---------------|---------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Guarantees..... | 10,084 | 10,117 | 9,515 |
| Letters of credit | 4,910 | 3,887 | 1,540 |
| Credit granting liabilities..... | 34,670 | 30,420 | 31,388 |
| Other contingent liabilities..... | 66 | 240 | 208 |
| Total credit related and contingent liabilities | 49,730 | 44,664 | 42,651 |
| Revocable credit facilities | 41,229 | 39,890 | 44,402 |
| Total credit related commitments | 84,554 | 84,554 | 87,053 |

Capital adequacy

The Dutch Central Bank (*De Nederlandsche Bank*), 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.

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 Dutch Central Bank, 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.

The tier 1 ratio, core tier 1 ratio and the BIS ratio are the most common ratios used in the financial world to measure solvency. The tier 1 ratio expresses the relationship between tier 1 capital and total risk-weighted assets. At 30 June 2011, Rabobank Group’s tier 1 ratio stood at 16.2 per cent. (year-end 2010: 15.7 per cent.). The minimum requirement set for the tier 1 ratio by the external supervisors is 4 per cent. The high tier 1 ratio is one of the reasons for Rabobank Group’s high credit rating.

Total risk-weighted assets were up €10.0 billion to €229.6 billion at 30 June 2011 compared to €219.6 billion at 31 December 2010. Retained earnings and the issuing of hybrid financial instruments were a contributing factor in the €2.8 billion increase in tier 1 capital to €37.3 billion at 30 June 2011 compared to 31 December 2010. See “Regulation of Rabobank Group” for further discussion of the Basel standards.

The core tier 1 ratio expresses the relationship between core tier 1 capital and total risk-weighted assets. At 30 June 2011, Rabobank Group’s core tier 1 ratio stood at 12.7 per cent. (year-end 2010: 12.6 per cent.).

The BIS ratio is calculated by dividing the total of tier 1 and tier 2 capital by the total of risk-weighted assets. At 30 June 2011, the BIS ratio stood at 16.7 per cent. (year-end 2010: 16.3 per cent.). The minimum requirement set for the BIS ratio by the external supervisors of 8.0 per cent.

The following table sets forth the risk-weighted capital ratios of Rabobank Group at 30 June 2011, 31 December 2010, 31 December 2009 and 31 December 2008:

Development in capital and solvency ratios

| | At 30 June | At 31 December | | |
|--|------------|----------------|--------|--------|
| | 2011 | 2010 | 2009 | 2008 |
| <i>(in millions of euro, except percentages)</i> | | | | |
| Tier 1 capital..... | 37,304 | 34,461 | 32,152 | 30,358 |
| Tier 1 ratio | 16.2% | 15.7% | 13.8% | 12.7% |
| Qualifying capital | 38,299 | 35,734 | 32,973 | 30,912 |
| BIS ratio..... | 16.7% | 16.3% | 14.1% | 13.0% |

(1)

Selected statistical information*

The following section discusses selected statistical information regarding Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "Results of operations" for an analysis of fluctuations in Rabobank Group's results between periods.

Return on equity and assets

The following table presents information relating to Rabobank Group's return on equity and assets for each of the past five years:

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|------|------|------|------|------|
| <i>(in percentages)</i> | | | | | |
| Return on assets ⁽¹⁾ | 0.42 | 0.37 | 0.47 | 0.45 | 0.43 |
| Return on equity ⁽²⁾ | 5.60 | 6.36 | 8.67 | 8.81 | 8.57 |
| Equity to assets ratio ⁽³⁾ | 6.05 | 5.82 | 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:

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|-------|-------|-------|-------|-------|
| <i>(in millions of euro, except percentages)</i> | | | | | |
| Outstanding Rabobank Member Certificates ⁽¹⁾ | 6,368 | 6,275 | 6,180 | 5,948 | 5,812 |
| Payments | 303 | 318 | 316 | 299 | 277 |
| Average yield..... | 4.76% | 5.07% | 5.11% | 5.03% | 4.77% |

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 2010, 31 December 2009 and 31 December 2008:

| | At 31 December | | |
|--|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Private sector lending..... | 436,292 | 415,235 | 408,620 |
| Government clients | 5,602 | 3,936 | 8,848 |
| Securities transactions due from private sector lending | 7,840 | 8,368 | 3,812 |
| Interest rate hedges (hedge accounting) | 6,207 | 5,818 | 5,003 |
| Total loans to customers | 455,941 | 433,357 | 426,283 |
| Value adjustments in loans to customers..... | (3,845) | (4,399) | (3,130) |
| Reclassified assets..... | 6,954 | 8,135 | 9,994 |
| Gross loans to customers | 452,832 | 429,621 | 419,419 |

The table below sets forth a geographic breakdown of Rabobank Group's loan portfolio at 31 December 2010, 31 December 2009 and 31 December 2008:

| | At 31 December | | |
|---|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| The Netherlands | 1,847 | 1,698 | 1,196 |
| Other countries in the EU zone | 484 | 482 | 2,654 |
| North America..... | 510 | 469 | 498 |
| Latin America..... | 11 | 44 | 781 |
| Asia | 2,603 | 1,073 | 3,668 |
| Australia..... | 10 | 7 | 4 |
| Other countries..... | 137 | 163 | 47 |
| Total government clients | 5,602 | 3,936 | 8,848 |
| The Netherlands | 320,446 | 311,964 | 298,172 |
| Other countries in the EU zone | 38,283 | 37,259 | 43,228 |
| North America..... | 41,245 | 36,194 | 40,415 |
| Latin America..... | 9,739 | 8,837 | 7,372 |
| Asia | 7,925 | 6,112 | 5,803 |
| Australia..... | 18,555 | 14,837 | 12,830 |
| Other countries..... | 99 | 32 | 800 |
| Total private sector lending | 436,292 | 415,235 | 408,620 |

Risk elements*

*Breakdown of assets and liabilities by repayment date**

The table below shows Rabobank's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date. These amounts correspond with the statement of financial position.

| | At 31 December 2010 | | | | | |
|---|---------------------|------------------------|--------------------------|-------------------|----------------------|----------------|
| | On demand | Less than three months | Three months to one year | One to five years | More than five years | Total |
| <i>Payments due by period (in millions of euro)</i> | | | | | | |
| Cash and cash equivalents | 6,271 | 7,197 | 3 | — | — | 13,471 |
| Due from other banks | 12,369 | 14,251 | 1,602 | 3,218 | 2,071 | 33,511 |
| Trading financial assets.. | 58 | 1,187 | 5,209 | 3,878 | 2,655 | 12,987 |
| Other financial assets at fair value through profit and loss | 8 | 2,082 | 362 | 2,420 | 4,716 | 9,588 |
| Derivative financial instruments..... | 672 | 4,132 | 4,461 | 15,903 | 18,779 | 43,947 |
| Loans to customers | 24,788 | 55,378 | 28,094 | 81,820 | 265,861 | 455,941 |
| Available-for-sale financial assets | 20 | 3,411 | 4,245 | 13,573 | 34,209 | 55,458 |
| Held-to-maturity financial assets | — | 100 | 10 | 108 | — | 218 |
| Other assets (including current tax assets)..... | 1,030 | 1,841 | 4,168 | 2,311 | 804 | 10,154 |
| Total financial assets | 45,216 | 89,579 | 48,154 | 123,231 | 329,095 | 635,275 |
| Due to other banks | 941 | 14,856 | 3,211 | 3,150 | 1,318 | 23,476 |
| Due to customers | 205,603 | 56,472 | 13,497 | 11,622 | 11,567 | 298,761 |
| Debt securities in issue... | — | 38,594 | 55,504 | 70,664 | 32,057 | 196,819 |
| Derivative financial instruments and other trade liabilities | 5,021 | 4,114 | 4,760 | 16,843 | 18,902 | 49,640 |
| Other debts (incl. current tax liabilities) | 786 | 5,852 | 1,159 | 377 | 25 | 8,199 |
| Other financial liabilities at fair value through profit and loss ... | 414 | 2,234 | 6,288 | 9,546 | 11,385 | 29,867 |
| Subordinated debt | — | — | — | 462 | 2,020 | 2,482 |
| Total financial liabilities..... | 212,765 | 122,122 | 84,419 | 112,664 | 77,274 | 609,244 |
| Net liquidity surplus/(deficit) | (175,854) | (24,238) | (36,265) | 10,567 | 251,821 | 26,031 |

The above breakdown was compiled on the basis of contract information, without taking into account actual movements in items in the statement of financial position. This is taken into account, however, for the day-to-day management of the liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, experience has shown that this is a stable source of financing at the long-term disposal of the bank. The regulations of the supervisory authority are also factored in. Based on the liquidity criteria of the Dutch Central Bank, Rabobank had a substantial liquidity surplus at 31 December 2010 and throughout 2010. The average liquidity surplus was 40 per cent. of the total liquidity requirement. The surplus at 31 December 2010 was 69 per cent.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required.

Interest rate sensitivity

The three key indicators used for managing the interest rate risk are the Basis Point Value, the Equity at Risk and the Income at Risk.

The Basis Point Value ("BPV") is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2010, the BPV did not exceed €28 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of Rabobank Group equity's market value to interest rate fluctuations. A 200 basis point overnight parallel shock of the curve will result in a 10 per cent. drop in 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 €8 million.

Cross-border outstandings*

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At 31 December 2010, there were no cross-border outstandings exceeding 1 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings at the end of each of the last three years, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1 per cent. of total assets, by type of borrower:

| | Banks | Public authorities | Private sector | Total |
|------------------------------|--------------|-------------------------------|-----------------------|--------------|
| <i>(in millions of euro)</i> | | | | |
| At 31 December 2010 | | | | |
| France | 4,398 | 12,151 | 3,368 | 19,917 |
| Germany | 4,054 | 9,441 | 5,955 | 19,450 |
| Ireland..... | 228 | 177 | 6,880 | 7,285 |
| United Kingdom | 7,650 | 440 | 10,377 | 18,467 |
| Poland..... | 70 | 2,970 | 5,982 | 9,022 |
| United States..... | 6,685 | 6,876 | 55,551 | 69,112 |
| Brazil | 955 | 1,040 | 5,267 | 7,262 |
| Japan..... | 2,918 | 5,207 | 210 | 8,335 |
| Australia | 824 | 888 | 14,363 | 16,075 |
| At 31 December 2009 | | | | |
| France | 2,702 | 1,889 | 4,735 | 9,326 |
| Germany | 3,923 | 2,821 | 5,037 | 11,781 |
| Ireland..... | 499 | 346 | 7,958 | 8,803 |
| United Kingdom | 11,732 | 1,858 | 11,212 | 24,802 |
| Poland..... | 142 | 1,915 | 5,375 | 7,432 |
| United States..... | 7,437 | 6,444 | 48,494 | 62,375 |
| Australia | 1,050 | 412 | 11,943 | 13,405 |
| At 31 December 2008 | | | | |
| France | 2,856 | 1,595 | 4,5 | 8,951 |
| Germany | 4,624 | 3,919 | 6,825 | 15,368 |
| Ireland..... | 925 | 561 | 9,273 | 10,759 |
| United Kingdom | 11,857 | 2,566 | 9,276 | 23,699 |
| Poland..... | 161 | 1,438 | 5,048 | 6,647 |
| United States..... | 5,796 | 8,225 | 51,169 | 65,190 |
| Japan..... | 914 | 6,664 | 205 | 7,783 |
| Australia | 1,427 | 1,164 | 9,36 | 11,951 |

Diversification of loan portfolio *

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. Rabobank Group uses the North America Industry Classification System (“NAICS”) as the leading system to classify industries. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 31 December 2010:

At 31 December 2010

| | On balance | Off balance | Total |
|--|-------------------|--------------------|----------------|
| <i>(in millions of euro)</i> | | | |
| Animal protein | 13,361 | 285 | 13,645 |
| Dairy | 14,955 | 188 | 15,143 |
| Grain and oilseeds | 14,787 | 456 | 15,243 |
| Fruit and vegetables | 9,295 | 105 | 9,400 |
| Food retail and foodservice | 4,640 | 152 | 4,792 |
| Farm inputs | 5,456 | 191 | 5,647 |
| Flowers | 3,582 | 15 | 3,597 |
| Beverages | 3,497 | 38 | 3,535 |
| Miscellaneous crops | 1,966 | 2 | 1,968 |
| Sugar | 1,625 | 134 | 1,759 |
| Other | 7,454 | 109 | 7,563 |
| Total private sector lending to food and agri | 80,618 | 1,674 | 82,292 |
| Lessors of real estate | 28,447 | 84 | 28,531 |
| Finance and insurance excluding banks | 23,112 | 1,464 | 24,576 |
| Wholesale | 16,577 | 3,775 | 20,352 |
| Manufacturing | 8,759 | 1,401 | 10,160 |
| Construction | 9,439 | 1,962 | 11,401 |
| Transportation and warehousing | 7,162 | 439 | 7,601 |
| Activities related to real estate | 7,811 | 94 | 7,905 |
| Non food retail | 4,367 | 596 | 4,963 |
| Healthcare and social assistance | 5,365 | 38 | 5,403 |
| Professional, scientific and technical services | 4,999 | 216 | 5,215 |
| Information and communication | 2,135 | 91 | 2,226 |
| Arts, entertainment and recreation | 1,401 | 42 | 1,443 |
| Utilities | 1,650 | 485 | 2,135 |
| Other services | 26,445 | 2,095 | 28,543 |
| Total private sector lending to trade, manufacturing and services | 147,669 | 12,782 | 160,452 |
| Private individuals | 208,005 | 502 | 208,571 |
| Total private sector lending | 436,292 | 14,959 | 451,315 |

Apart from due from other banks (€33.5 billion at 31 December 2010 which is 5 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 48 per cent. of the total loan portfolio at 31 December 2010. This portfolio has a very low risk

profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 18 per cent. in 2010. The proportion of the total loan portfolio attributable to trade, industry and services was 34 per cent. at 31 December 2010. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10 per cent. of the total client loan portfolio. Continuing poor market conditions in the Netherlands have a significant impact on many industry sectors. For the local Rabobanks, bad debt costs in the food and agri sector are concentrated in glass horticulture, and virtually all segments in the trade, industry and services sector have been significantly affected, inland shipping in particular. For Rabobank International, bad debt costs were significantly influenced by the allowance formed for the Irish real estate portfolio.

Impaired loans

Loans for which an allowance has been made are called impaired loans. At 31 December 2010, these loans amounted to €9,284 million (2009: €9,294 million). The allowance for loan losses amounted to €4,014 million (2009: €4,569 million), which corresponds to a 43 per cent. (2009: 49 per cent.) coverage. Rabobank Group forms allowances at an early stage and applies the one-obligor principle, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 31 December 2010, impaired loans corresponded to 2.1 per cent. (2009: 2.3 per cent.) of the private sector loan portfolio.

The following table provides an analysis of Rabobank Group's impaired loans by business at 31 December 2010, 31 December 2009 and 31 December 2008:

| | At 31 December | | |
|--|-----------------------|--------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Domestic retail banking | 4,462 | 4,305 | 2,831 |
| Wholesale banking and international retail banking | 2,999 | 3,559 | 3,182 |
| Leasing | 960 | 1,066 | 379 |
| Real estate | 793 | 295 | — |
| Other | 70 | 69 | 182 |
| Rabobank Group | 9,284 | 9,294 | 6,573 |

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 customers for the past three years:

| | Year ended 31 December | | |
|--|-------------------------------|-------------|-------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Domestic retail banking | 2,030 | 1,398 | 1,303 |
| Wholesale banking and international retail banking | 1,915 | 1,415 | 721 |

| | Year ended 31 December | | |
|--|------------------------|----------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Asset management | 9 | 5 | 4 |
| Leasing | 387 | 246 | 226 |
| Real estate | 45 | 25 | 27 |
| Other | 13 | 41 | 1 |
| Total balance at 1 January | 4,399 | 3,130 | 2,282 |
| Domestic retail banking | 1,124 | 1,541 | 534 |
| Wholesale banking and international retail banking | 1,296 | 1,500 | 1,137 |
| Asset management | 7 | 7 | 5 |
| Leasing | 287 | 331 | 195 |
| Real estate | 67 | 36 | 16 |
| Other | — | 14 | 42 |
| Total additions | 2,781 | 3,429 | 1,929 |
| Domestic retail banking | (759) | (805) | (323) |
| Wholesale banking and international retail banking | (665) | (556) | (387) |
| Asset management | (1) | — | — |
| Leasing | (29) | (23) | (55) |
| Real estate | (4) | (14) | (15) |
| Other | —) | (42) | — |
| Total reversal of impairments | (1,458) | (1,440) | (780) |
| Domestic retail banking | (235) | (191) | (164) |
| Wholesale banking and international retail banking | (1,560) | (382) | (155) |
| Asset management | (6) | (3) | (4) |
| Leasing | (21) | (182) | (116) |
| Real estate | (14) | (6) | (2) |
| Other | — | — | — |
| Total written off | (2,034) | (764) | (441) |
| Domestic retail banking | 101 | 87 | 48 |
| Wholesale banking and international retail banking | 34 | (62) | 99 |
| Asset management | 3 | — | — |
| Leasing | 18 | 15 | (4) |
| Real estate | — | 4 | (1) |
| Other | 1 | — | (2) |
| Total other | 157 | 44 | 140 |

| | Year ended 31 December | | |
|--|------------------------|--------------|--------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Domestic retail banking | 2,261 | 2,030 | 1,398 |
| Wholesale banking and international retail banking | 1,020 | 1,915 | 1,415 |
| Asset management | 12 | 9 | 5 |
| Leasing | 444 | 387 | 246 |
| Real estate | 94 | 45 | 25 |
| Other | 14 | 13 | 41 |
| Total balance at 31 December | 3,845 | 4,399 | 3,130 |

Due to customers*

The following table presents a breakdown of due to customers at 31 December 2010, 31 December 2009 and 31 December 2008. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

| | At 31 December | | |
|--|----------------|----------------|----------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Time deposits | 46,846 | 47,897 | 81,554 |
| Current accounts/settlement accounts | 71,147 | 63,388 | 59,832 |
| Repurchase agreements | 2,017 | 1,207 | 664 |
| Other | 25,966 | 32,666 | 31,326 |
| Total due to customers by businesses | 145,976 | 145,158 | 173,376 |
| Savings deposits | 130,928 | 121,373 | 114,680 |
| Current accounts/settlement accounts | 15,812 | 12,768 | 13,230 |
| Other | 6,045 | 7,039 | 2,928 |
| Total due to customers by individuals | 152,785 | 141,180 | 130,838 |
| Total due to customers | 298,761 | 286,338 | 304,214 |

Short-term borrowings*

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue". An analysis of the balance of short-term borrowings at 31 December 2010, 31 December 2009 and 31 December 2008 is provided below.

| | At 31 December | | |
|--------------------------------|-----------------------|-------------|-------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Year-end balance | 72,795 | 78,370 | 55,385 |
| Average balance | 80,424 | 77,160 | 61,010 |
| Maximum month-end balance..... | 88,623 | 82,167 | 68,963 |

Long-term borrowings

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue" and "Other financial liabilities at fair value through profit and loss". An analysis of the balance of long-term borrowings at 31 December 2010, 31 December 2009 and 31 December 2008 is provided below.

| | At 31 December | | |
|--------------------------------|-----------------------|-------------|-------------|
| | 2010 | 2009 | 2008 |
| <i>(in millions of euro)</i> | | | |
| Year-end balance | 153,891 | 120,701 | 105,191 |
| Average balance | 141,209 | 116,309 | 110,327 |
| Maximum month-end balance..... | 153,891 | 122,776 | 112,900 |

SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the reviewed condensed consolidated interim financial information 2011 of Rabobank Group, which have been reviewed by Ernst & Young Accountants LLP, the independent auditor in the Netherlands, with the exception of the financial ratios, the latter being derived from the interim report 2011 of Rabobank Group. The data should be read in conjunction with the consolidated financial statements, related notes incorporated by reference herein and the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” included in this Base Prospectus. The condensed consolidated interim financial information 2011 of Rabobank Group has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and is presented in conformity with IAS 34 Interim Financial Reporting.

Consolidated statement of financial position

| | As at | | |
|--|----------------|------------------|----------------|
| | 30 June 2011 | 31 December 2010 | 30 June 2010 |
| <i>(in millions of euro)</i> | | | |
| Assets | | | |
| Cash and cash equivalents | 26,088 | 13,471 | 9,356 |
| Due from other banks | 36,993 | 33,511 | 34,095 |
| Trading financial assets | 12,167 | 12,987 | 12,782 |
| Other financial assets at fair value through profit and loss | 9,337 | 9,588 | 10,037 |
| Derivative financial instruments | 34,704 | 43,947 | 63,578 |
| Loans to customers | 460,118 | 455,941 | 454,773 |
| Available-for-sale financial assets | 55,835 | 55,458 | 60,652 |
| Held-to-maturity financial assets | 120 | 218 | 241 |
| Investments in associates | 3,587 | 3,539 | 3,898 |
| Intangible assets | 3,551 | 3,675 | 3,936 |
| Property and equipment | 6,052 | 6,006 | 6,156 |
| Investment properties | 786 | 816 | 1,291 |
| Current tax assets | 253 | 357 | 352 |
| Deferred tax assets | 1,008 | 1,200 | 1,220 |
| Employee benefits | 1,953 | 1,668 | 1,765 |
| Other assets | 12,401 | 10,154 | 11,715 |
| Total assets | 664,953 | 652,536 | 675,847 |

| | As at | | |
|---|----------------|------------------|----------------|
| | 30 June 2011 | 31 December 2010 | 30 June 2010 |
| <i>(in millions of euro)</i> | | | |
| Liabilities | | | |
| Due to other banks | 24,639 | 23,476 | 27,623 |
| Due to customers | 305,360 | 298,761 | 297,765 |
| Debt securities in issue | 209,657 | 196,819 | 192,417 |
| Derivative financial instruments and other trading liabilities | 41,332 | 49,640 | 72,441 |
| Other debts | 10,726 | 8,199 | 9,999 |
| Other financial liabilities at fair value through profit and loss | 25,857 | 29,867 | 30,144 |
| Provisions | 990 | 979 | 1,080 |
| Current tax liabilities | 288 | 359 | 494 |
| Deferred tax liabilities | 853 | 731 | 612 |
| Employee benefits | 367 | 466 | 461 |
| Subordinated debt | 371 | 2,482 | 2,350 |
| Total liabilities | 622,440 | 611,779 | 635,386 |

| | As at | | |
|---|----------------|------------------|----------------|
| | 30 June 2011 | 31 December 2010 | 30 June 2010 |
| <i>(in millions of euro)</i> | | | |
| Equity | | | |
| Equity of Rabobank Nederland and local Rabobanks | 25,607 | 24,749 | 23,794 |
| Rabobank Member Certificates issued by a group company | 6,576 | 6,583 | 6,358 |
| | 32,183 | 31,332 | 30,152 |
| Capital Securities and Trust Preferred Securities III to VI | 7,669 | 6,306 | 6,337 |
| Non-controlling interests | 2,661 | 3,119 | 3,735 |
| Total equity | 42,513 | 40,757 | 40,224 |
| Total equity and liabilities | 664,953 | 652,536 | 675,610 |

Condensed consolidated statement of income

| | 30 June 2011 | 30 June 2010 |
|--|--------------|--------------|
| <i>(in millions of euro)</i> | | |
| Interest | 4,507 | 4,347 |
| Commission | 1,513 | 1,413 |
| Other results..... | 1,283 | 672 |
| Total Income | <u>7,303</u> | <u>6,432</u> |
| Staff costs..... | 2,596 | 2,362 |
| Other administrative expenses..... | 1,471 | 1,278 |
| Depreciation and amortisation..... | 290 | 266 |
| Operating expenses | <u>4,357</u> | <u>3,906</u> |
| Value adjustments..... | 618 | 569 |
| Operating profit before taxation | <u>2,328</u> | <u>1,957</u> |
| Taxation..... | 474 | 318 |
| Net profit | <u>1,854</u> | <u>1,639</u> |
| Of which attributable to Rabobank Nederland and local Rabobanks..... | 1,340 | 1,176 |
| Of which attributable to holders of Rabobank Member Certificates..... | 157 | 151 |
| Of which attributable to Capital Securities .. | 267 | 240 |
| Of which attributable to Trust Preferred Securities III to VI..... | 36 | 36 |
| Of which attributable to non-controlling interests..... | 54 | 36 |
| Net profit for the period | <u>1,854</u> | <u>1,639</u> |

Financial ratios

| | 30 June 2011 | 31 December 2010 | 30 June 2010 |
|---|--------------|---------------------|--------------|
| BIS ratio..... | 16.7% | 16.3% | 15.4% |
| Tier 1 ratio..... | 16.2% | 15.7% | 14.8% |
| Core tier 1 ratio..... | 12.7% | 12.6% | 11.8% |
| Equity capital ratio ⁽¹⁾ | 14.0% | 14.2% | 13.8% |
| Bad debt costs (in basis points of average lending) | 29 | 29 | 27 |

Note:

- (1) The equity capital ratio is calculated by dividing retained earnings and Rabobank Member Certificates by risk-weighted assets.

RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (“**BRMC-RG**”) in cooperation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments and advising the Executive Board on all relevant issues regarding risk management. Rabobank Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management 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, country risk, interest rate risk, liquidity risk, market risk and operational risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also “*Risk Factors*”.

Risk Adjusted Return On Capital

Relating the profit achieved on a certain activity to the capital required for that activity produces the Risk Adjusted Return On Capital (“**RAROC**”). RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across Rabobank Group’s business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group’s activities also plays a significant part in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the six months ended 30 June 2011, Rabobank realised a RAROC after tax of 16.8 per cent.

Credit risk

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. At 30 June 2011, 48 per cent. of Rabobank Group’s credit loan portfolio to the private sector consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 52 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the total exposure including the requested financing determining the applicable committee level. The Executive Board itself decides on the largest credit applications. Rabobank Group has three Policy Credit Committees (“**PCCs**”): Rabobank Group PCC and the Rabobank International and Member Banks PCCs. Rabobank Group PCC establishes Rabobank Group’s credit risk policy. Rabobank

Group entities define and establish their own credit policies within this framework. In this context, the Member Banks PCC is responsible for domestic retail banking and the Rabobank International PCC for wholesale banking and international retail banking. Rabobank Group PCC is chaired by the CFO and the Executive Board is represented by three members. The CFO also chairs the Rabobank International and Member Banks PCCs. The PCCs are composed of representatives from Rabobank Group's most senior management levels. For corporate loans, a key concept in Rabobank Group's policy for accepting new clients is the "know your customer" principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by Rabobank Group. In addition, Rabobank Group is familiar with the industry in which a client operates and can assess its clients' financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

With respect to the management of Rabobank Group's exposure to credit risk, Rabobank Nederland's Credit Risk Management department and Group Risk Management department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

Rabobank Group uses the Advanced IRB approach for credit risk. This is the most risk-sensitive form of the Basel II Credit Risk approaches. Rabobank Group has professionalised its risk management even further by combining Basel II compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are EAD (Exposure At Default), PD (Probability of Default) and LGD (Loss Given Default). It is partly on the basis of these parameters that Rabobank Group determines the economic capital and the Risk Adjusted Return On Capital (RAROC). These Basel II parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the Basel II parameters and RAROC support credit analysts and the Credit Committees in making well-considered decisions. Every group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

Rabobank Group has a robust framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group's prudent policy for accepting new clients is characterised by careful assessment of clients and their ability to make repayments on credit granted. As a result, the loan portfolio has a relatively low risk profile. Rabobank Group's objective is to enter into long term relationships with clients which are beneficial for both the client and Rabobank Group. 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.

EAD is the expected exposure to the client in the event of, and at the time of, a counterparty's default. At 30 June 2011, the EAD of the total Advanced IRB loan portfolio was €553 billion (year-end 2010: €546 billion). This EAD includes the expected future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty's PD over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, the form of which varies from payment arrears of 90 days to bankruptcy. At 30 June 2011, the weighted average PD of the total Advanced IRB loan portfolio is 1.18 per cent. (year-end 2010: 1.21 per cent.).

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) of 31 December 2010, 2009 and 2008 per business unit as a percentage of private sector loans:

Impaired loans/private sector lending per business unit

| | At 31 December | | |
|--|----------------|------|------|
| | 2010 | 2009 | 2008 |
| <i>(in percentages)</i> | | | |
| Domestic retail banking | 1.56 | 1.55 | 1.05 |
| Wholesale banking and international retail banking | 3.25 | 4.19 | 3.48 |
| Leasing | 3.93 | 4.64 | 1.95 |
| Real estate | 4.40 | 1.73 | n.a. |
| Rabobank Group | 2.16 | 2.28 | 1.65 |

Bad and doubtful debt

Once a loan has been granted, ongoing credit management takes place as part of which new information, both financial and non-financial, is assessed. The bank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within Rabobank Group, particularly in the case of larger and more complex loans granted to businesses whose continuity is at stake. If it is probable that the debtor will be unable to fulfil its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income.

The table below sets forth Rabobank Group's bad debt costs for the six months ended 30 June 2011 and for the three years ended 31 December 2010, 2009 and 2008, 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 | | |
|---|-----------------------------|------------------------|------|------|
| | 2011 | 2010 | 2009 | 2008 |
| <i>(in percentages)</i> | | | | |
| Domestic retail..... | 0.15 | 0.13 | 0.26 | 0.08 |
| Wholesale banking and international retail banking | 0.66 | 0.64 | 1.05 | 0.93 |
| Leasing | 0.44 | 0.90 | 1.32 | 0.56 |
| Real estate..... | 0.49 | 0.36 | 0.14 | — |
| Rabobank Group | 0.29 | 0.29 | 0.48 | 0.31 |

Structured credit

In view of the cautious economic recovery and the situation on the financial markets Rabobank Group has made limited additional provisions with a negative impact of €46 million on net profit after taxes in 2010. An

additional provision of €21 million after tax was made for a liquidity facility granted by Rabobank which was partly secured on subprime-related assets.

Rabobank Group's trading and investment portfolios have limited direct exposure to more structured investments, which amounted to €5.1 billion (year-end 2010: €5.8 billion) at 30 June 2011.

Monoline insurers

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. The creditworthiness of a number of monoline insurers is subject to downward pressure, which was also reflected by the downgrading of the credit ratings of these institutions. Counterparty risk relating to these monoline insurers arises in case the value of the credit default swaps with these counterparties increases, due to a decrease of the fair value of the underlying investments, or because other insured investments can lead to payment claims against these insurers. In this the credit quality of the investments and time-related aspects are taken into account.

At 30 June 2011 the counterparty risk on the monoline insurers before provisioning was €1,227 million (year-end 2010: €1,330 million). The total provision was €1,068 million (year-end 2010: €1,114 million), reducing the remaining counterparty risk to €160 million (year-end 2010: €216 million).

Rabobank Group's exposure to monoline insurers will only result in realised losses in the event that high default levels in investments insured by the monoline insurers occur. Real losses only occur if both the investment and the monoline insurer in question are in default.

Sovereigns

In its investment and trading portfolios at 30 June 2011 Rabobank Group has a very limited exposure to government bonds issued by European countries which are currently perceived by the markets as less creditworthy: Italy €347 million (year-end 2010: €388 million), Greece €211 million (year-end 2010: €373 million), Spain €69 million (year-end 2010: €137 million), Portugal €18 million (year-end 2010: €80 million) and Ireland €45 million (year-end 2010: €50 million).

Country risk

Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

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

At Rabobank Group level, the country risk outstanding, including additional capital requirements for transfer risk, is reported every quarter to Rabobank Group's Balance Sheet and Risk Management Committee Rabobank Group (the "BRMC-RG") and the Country Limit Committee. The calculations of additional capital requirements for transfer risk are made in accordance with internal guidelines and cover all countries where transfer risk is relevant.

At 31 December 2010, the net transfer risk before provisions for non-OECD countries was 1.4 per cent. (2009: 1.3 per cent.).

Interest rate risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group manages interest rate risk by using both the accrual based Income at Risk concept and the value based Equity at Risk concept. Based on the Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to the Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of the interest income for changes in interest rates. This "Income at Risk" represents the change in interest income for the coming 24 months, due to parallel increases/decreases in interest rates of 200 basis points, assuming a static balance sheet structure and no management intervention. In this interest rate scenario a gradual increase/decrease of 200 basis points is assumed during the first year, while during the second year interest rates are assumed to remain steady.

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 parallel change in interest rates of 200 basis points.

At 31 December 2010, the Income at Risk ("IatR") and Equity at Risk ("EatR") for Rabobank Group were as follows:

| | 200 basis points increase | 200 basis points decrease |
|--|---------------------------------|---------------------------------|
| <i>(in millions of euro, except percentages)</i> | | |
| IatR 1-12 months..... | 41 | 8 |
| IatR 13-24 months..... | 202 | (111) |
| EatR..... | (10%) | 9% |

Rabobank Group performs complementary scenario analyses to assess the impact of changes in customer behaviour and the economic environment.

Liquidity risk

Liquidity risk is the risk that the bank is not able to meet its financial liabilities when due, as well as the risk that it is unable to fund increases in assets either at reasonable prices or at all. Rabobank Group policy is that long-term lending is financed by funding from customers or by long-term funding from the professional market. Liquidity risk management is based on three pillars.

The first pillar sets strict limits on the maximum outgoing cash flows of the wholesale banking division. This ensures that excessive dependence on the professional market is avoided. To this end, the incoming and outgoing cash flows over the next 30 days are calculated and reported on a daily basis, including any conduits. In addition, limits have been set on the outgoing cash flows per currency and location. Detailed contingency plans have been drawn up in order to ensure the bank is prepared for potential crises.

Under the second pillar, a large buffer of liquid assets is held. If necessary, these assets can be used to generate liquidity immediately, either by being used in repo transactions, being sold directly on the market, or by means of pledging them to central banks.

The third pillar is to limit liquidity risk by pursuing a prudent funding policy that is designed to ensure that the financing requirements of group entities are met at an acceptable cost. The diversification of funding sources and currencies, the flexibility of the funding instruments used and an active investor relations function play an important role in this context. This prevents Rabobank Group from becoming overly dependent on a single source of funding.

Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets. Several methods have been developed to measure and manage liquidity risk. Methods used to measure liquidity risk include the CA/CL method (Core Assets/Core Liabilities). Using various time periods, a quantification is made of the assets, unused facilities and liabilities that are expected to remain on the balance sheet after assumed and closely defined stress scenarios have occurred. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities, respectively, and their inter-relationship is the liquidity ratio. A ratio below 1.2 is considered adequate and in 2010 this was the case for the scenarios used. The Dutch regulator also provides extensive guidelines for measuring and reporting the liquidity position of Rabobank Group. According to these guidelines the liquidity position is more than adequate, with available liquidity exceeding the requirement by 40 per cent. on average in 2010.

Outstanding asset-backed commercial paper (“**ABCP**”) amounted to €10.1 billion at 30 June 2011 (year end 2010: €14.0 billion). These conduits are mainly used for funding of own originated loans and customer loans and receivables, and are fully integrated in the Group’s liquidity risk management framework.

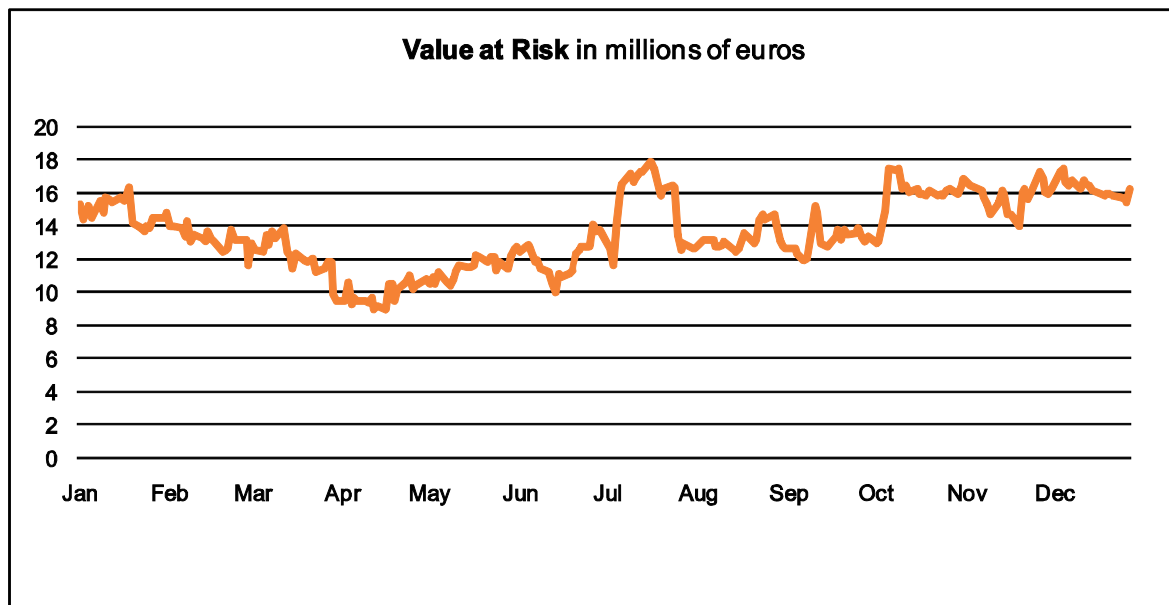
Market risk

Market risk relates to the change in value of Rabobank Group’s trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors Rabobank Group’s worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the Dutch Central Bank. Rabobank Group’s risk models are based on the Value at Risk concept. Value at Risk describes the maximum possible loss that Rabobank Group can suffer in a single day, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These event risk scenarios measure the effect of sharp and sudden changes in market prices. Statistical models are also used to generate other risk measures which assist the Market Risk department, as well as the BRMC-RG in evaluating Rabobank Group’s market positions.

For the year ended 31 December 2010, the Value at Risk fluctuated between €9 million (2009: €23 million) and €18 million (2009: €50 million), with an average of €14 million (2009: €32 million). The decrease of the average Value at Risk compared to 2009 follows from improvements in calculation methods and from changes in positions, books and activities.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by

means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, also other risk indicators are used for market risk management.



Source: Rabobank Group Annual Report 2010

Operational risk

Operational risk is the risk of direct or indirect losses arising from deficiencies in procedures and systems and from human failures or from external events. Rabobank Group has a Group-wide operational risk policy. Decentralised procedures are set up at all entities to record operational incidents and report them on a quarterly basis to the central Operational Risk department. In addition, sophisticated instruments are made available to enable operational risk management within each Rabobank Group entity. The management of each Rabobank Group entity is responsible for developing policies and procedures to manage operational risks in line with Rabobank Group Operational Risk Management policy.

GOVERNANCE OF RABOBANK GROUP

Corporate governance

In recent years the corporate governance of organisations has been of particular public interest. On account of its cooperative organisation, Rabobank's corporate governance is characterised by a robust system of checks and balances. As a result, this governance is in many respects even stricter than in listed enterprises. The members of the independent, cooperative local Rabobanks exercise influence at a local level. As members of Rabobank Nederland, the local Rabobanks in turn play a very important part in the policy-making within Rabobank's organisation. For example, a distinguishing feature in Rabobank Group's governance is the Central Delegates Assembly, Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in virtually all Rabobank Nederland's strategic decisions.

Although the Dutch Corporate Governance Code does not apply to the cooperative as a legal form of enterprise, Rabobank Nederland's corporate governance is broadly consistent with this code. Rabobank also observes the Banking Code, which was adopted in 2009 by the Netherlands Bankers' Association and came into force on 1 January 2010.

Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and equity. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy with the associated risk profile, its results, the social aspects of its business and their relevance to the enterprise, the synergy within Rabobank Group, compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. The Executive Board reports on all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank Nederland, the Central Delegates Assembly and the General Meeting (*algemene vergadering*) of Rabobank Nederland, which is formed by the members, i.e. the local Rabobanks.

The Financial Supervision Act and related subordinate legislation, as well as regulations imposed by the Dutch supervisory authorities have formulated standards for financial institutions. The supervision of Rabobank Nederland's solvency and stability – i.e. prudential supervision – is performed by the Dutch Central Bank, while the AFM supervises orderly and transparent market processes, sound relationships between market parties and conscientious customer treatment, i.e. conduct supervision. Obviously, these regulations form the framework for the organisation and control of Rabobank Group's activities.

The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Committee on Confidential Matters of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

Supervisory Board

The Supervisory Board performs the supervisory role within Rabobank Nederland. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank Nederland and its affiliated entities. As part thereof, the Supervisory Board monitors the compliance with the law, the Articles of Association and other relevant rules and regulations. In practice, this means that the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

The Supervisory Board has five committees: the Audit & Compliance Committee, the Cooperative Issues Committee, the Appointments Committee, the Remuneration Committee and the Appeals Committee. These committees perform preparatory and advisory work for the Supervisory Board.

In the performance of their duties, the members of the Supervisory Board act in the interests of all stakeholders of Rabobank Nederland and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Meeting of Rabobank Nederland on the recommendation of the Supervisory Board. However, the Executive Board, as well as Rabobank Nederland's Works Council and the General Meeting are each entitled to nominate individuals for consideration by the Supervisory Board. The independence of the individual members, among other factors, is an important consideration for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank Nederland and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the Supervisory Board is drawn up in consultation with the Committee on Confidential Matters of the Central Delegates Assembly and is adopted by the General Meeting. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment.

The Committee on Confidential Matters of the Central Delegates Assembly determines the remuneration of the Supervisory Board members and also has a say in the profile of the members of the Supervisory Board.

The Supervisory Board, headed by its Chairman, continually assesses its own performance, both as a collective body and in terms of its separate committees and individual members. Initiatives are developed regularly to keep Supervisory Board members abreast of developments or to increase their knowledge in various areas.

Member influence

As a cooperative, Rabobank has members, not ordinary shareholders like companies do. The local cooperative Rabobanks are members of the Rabobank Nederland cooperative and hence have an important role in the working of Rabobank Nederland's governance. In that context, a key element is the open and transparent culture, with clear accountability for the management and supervision and the assessment thereof. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. The local Rabobanks can vote at the General Meeting according to a formula that is adjusted periodically by the Executive Board, and through indirect representation at the Central Delegates Assembly.

Central Delegates Assembly

The local Rabobanks are organised geographically in 12 Regional Delegates Assemblies, each with a board of six. Together the Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*Centrale Kringvergadering*) (“CKV”), which meets at least four times a year in the city of Utrecht. Prior to the CKV, the banks belonging to a particular Regional Delegates Assembly discuss the agenda at their Assembly. Thus, the members of the local Rabobanks, through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, are represented in the CKV, although without instructions or consultations. The majority of the Boards of the Regional Delegates Assemblies and thereby the CKV consists of individuals elected by the local members, who from their commitment to the Rabobank organisation wish to fulfil this role.

The CKV’s powers include the establishment of rules that are binding on all local Rabobanks and the establishment of Rabobank’s strategy. This strategy describes the principles for the Executive Board’s policies and thereby directly influences Rabobank Group’s policy. The CKV also approves the budget for Rabobank Nederland’s activities on behalf of the local Rabobanks. The CKV has in-depth discussions, which are held not only as part of the CKV’s specific duties and powers, but also with the aim of encouraging commitment in the local Rabobanks and consensus between the local Rabobanks and Rabobank Nederland. Finally, the CKV advises the local Rabobanks on all the items on the agenda pertaining to the General Meeting.

The manner in which Rabobank Nederland accounts for its policy to its members in the CKV is considerably more extensive than the account rendered by a typical listed public company to its shareholders. Because of the special relationship between Rabobank Nederland and its members, the CKV enjoys almost full attendance. In order to operate effectively, the CKV has appointed three committees from among its members, which are charged with special duties. The Committee on Confidential Matters advises on appointments in the Supervisory Board, sets the Supervisory Board’s remuneration and assesses the Supervisory Board’s application of the remuneration policy. The Coordinating Committee draws up the agenda of the CKV and subjects items for the agenda to formality compliance tests. The Emergency Affairs Committee advises the Executive Board on behalf of the CKV in urgent, price-sensitive and/or confidential cases concerning major investments or divestments.

In order to maintain maximum effectiveness of the CKV, an internal committee was established in 2006 whose task was to advise on the CKV’s desired future size and composition. The committee’s recommendations included the following: to reduce the CKV membership from 120 to 72, to introduce observers in the CKV and to confirm the CKV’s composition according to the ratio of “2 elected members to 1 appointed member”. These recommendations have been implemented.

General Meeting

The General Meeting (*algemene vergadering*) is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the Articles of Association and regulations, and the appointment of members of the Supervisory Board. The CKV issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

Local Rabobanks

Corporate governance at the local Rabobanks

In the past, the local Rabobanks could choose one of two governance models: the Partnership model and the Executive model. Based on a review of the operation of both models, preparations started in 2009 to replace them and from mid-2010 they began to be replaced by a single governance model: the Rabo model. Effective member influence and control are similarly assured in this new governance model, and the governance of the local Rabobanks will be carried out both adequately and professionally, and in a way that befits their cooperative culture. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the Articles of Association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. Account is rendered to the members in respect of the local Rabobank's management and supervision.

Partnership model

In the Partnership model, the Board of each local Rabobank consists of persons elected by the members from their ranks, plus a managing director who is appointed by the Supervisory Board. The managing director is primarily concerned with the day-to-day management of the bank's operations. The Supervisory Board supervises the Board.

Executive model

In the executive model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. In this model, no Board members are elected by the members from their ranks, as is the case in the partnership model.

Rabo model

The governance structure of the Rabo model is comparable to the governance structure of the Executive model. In this model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. A delegation of the members (*de ledenraad*) has important powers, such as to appoint the members of the Supervisory Board, to amend the articles of association, to approve of a merger and to adopt the financial statements. Each member of a local Rabobank belongs to an electoral district and has the power to vote for a candidate of that electoral district as a member of the delegation of members (*de ledenraad*). From mid-2010, the Rabo model began to replace the Partnership model and the Executive model.

Member council

Local Rabobanks using the executive model must institute a member council in order to firmly and permanently embed member influence and control in the structure. An increasing number of banks using the partnership model have established a member council as well. The member council is a delegation of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

Employee influence within Rabobank Group

Rabobank attaches great value to consultations with the various employee representative bodies. Employee influence within Rabobank Group has been enabled at various levels. Issues concerning the business of Rabobank Nederland are handled by Rabobank Nederland's Works Council. Subsidiaries such as Robeco, De Lage Landen, Orbay and Rabo Real Estate Group each have their own Works Councils with consultative powers on matters concerning these enterprises. In addition, each local Rabobank has its own Works Council to discuss matters concerning that particular local Rabobank. The Group Works Council of Member Banks

(“**GOR AB**”) is a cooperative-structure based employee representative body that represents the interests of the employees of the local Rabobanks on issues that concern all the local Rabobanks or a majority thereof. In the case of a proposed decision, as defined in the Dutch Works Councils Act, that affects the majority of the local Rabobanks, it is submitted for approval or advice to the GOR AB. In the case of a proposed decision that does not affect the majority of all local Rabobanks, the GOR AB does not interfere with the position of the Works Councils of the local Rabobanks. Rabobank Group also has an employee representative body at a European level, the European Working Group (“**EWG**”), in which employees of Rabobank offices from the EU member states are represented. The EWG holds discussions with the Executive Board at least twice a year about developments within Rabobank Group. This does not affect the role of the national employee representative bodies.

Dutch Corporate Governance Code

Although it is under no obligation to do so due to its cooperative structure, Rabobank Nederland complies with the Dutch Corporate Governance Code on a voluntary basis.

Partly because of its cooperative structure, Rabobank Nederland departs in some respects from the Dutch Corporate Governance Code.

Banking Code

On 9 September 2009, the Banking Code for Dutch banks was adopted as binding by the Board of the Netherlands Bankers’ Association, in response to the report entitled “Restoring Trust” (“*Naar herstel van vertrouwen*”) of the Advisory Committee on the Future of Banks in the Netherlands. Although the Banking Code did not come into force until 1 January 2010, Rabobank commenced compliance preparations in 2009. Rabobank intends fully to observe the Banking Code and has only one departure, which will be explained according to the “comply or explain” principle.

Controls over financial reporting

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, with the aim of achieving an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading standards across the globe. Accordingly, Rabobank Group voluntarily implemented internal controls over its financial reporting in a manner similar to that of US registered companies pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight. Rabobank Group believes that internal controls over financial reporting increase the effectiveness of such reporting, and offer opportunities to identify and remedy any deficiencies at an early stage. This results in a higher quality of Rabobank Group’s financial reporting process.

Internal controls

Rabobank Group uses internal controls to provide reasonable assurance that:

- transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and that receipts and expenditures are recognised only in accordance with authorisations of management;
- unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements, is prevented or detected.

Rabobank Group’s internal control framework is based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”). As set out in the report included in the financial statements, the Executive Board concluded that the internal risk management and control systems

are adequate and effective and provide reasonable assurance that the financial reporting is free of material misstatement.

Members of Supervisory Board and Executive Board

Supervisory Board of Rabobank Nederland

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

| Name | Born | Year Appointed ⁽¹⁾ | Term Expires | Nationality |
|--|------|----------------------------------|--------------|-------------|
| Lense (L.) Koopmans, Chairman..... | 1943 | 2002 | 2013 | Dutch |
| Antoon (A.J.A.M.) Vermeer, Vice- Chairman | 1949 | 2002 | 2014 | Dutch |
| Irene (I.P.) Asscher-Vonk | 1944 | 2009 | 2013 | Dutch |
| Bernard (B.) Bijvoet | 1940 | 2002 | 2012 | Dutch |
| Tom (A.) de Bruijn | 1953 | 2009 | 2013 | Dutch |
| Wout (W.) Dekker ⁽²⁾ | 1956 | 2010 | 2012 | Dutch |
| Louise (L.O.) Fresco | 1952 | 2006 | 2014 | Dutch |
| Leo (S.J.L.J.) Graafsma ⁽²⁾ | 1949 | 2010 | 2014 | Dutch |
| Erik (E.A.J.) van de Merwe ⁽²⁾ | 1950 | 2010 | 2012 | Dutch |
| Marinus (M.) Minderhoud | 1946 | 2002 | 2014 | Dutch |
| Martin (M.J.M.) Tielen | 1942 | 2002 | 2013 | Dutch |
| Cees (C.P.) Veerman | 1949 | 2007 | 2015 | Dutch |

Note:

- (1) As a result of a 2002 amendment of the management organisation of Rabobank Nederland, the former supervisory council was replaced by the Supervisory Board, as a result of which the appointment date for a number of supervisory directors was fixed at 2002 even though they had been previously on the supervisory council.
- (2) Mr Dekker and Mr Van de Merwe have been members of the Supervisory Board since 17 June 2010, and Mr Graafsma joined the Supervisory Board on 29 September 2010.

Mr L. Koopmans (Lense)

| | |
|----------------|---|
| Date of Birth | 17 June 1943 |
| Profession | Professional supervisory director Former Professor at the Erasmus University of Rotterdam Emeritus Professor at the University of Groningen |
| Main positions | Chairman of the Supervisory Board of Rabobank Nederland Chairman of the Board of Directors of Stichting TBI |
| Nationality | Dutch |

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| Additional positions | <p>Supervisory Directorships:</p> <ul style="list-style-type: none"> – Chairman of the Supervisory Board of Siers Groep B.V. – Chairman of the Supervisory Board of Arriva Nederland B.V. – Chairman of the Supervisory Board of TSS B.V. – Vice-Chairman of the Supervisory Board of KIWA N.V. |
| Other additional positions | <ul style="list-style-type: none"> – Member of the Board of Directors of Stichting Administratiekantoor Unilever N.V. – Vice-Chairman of the Board of Supervision of the University Medical Center, Groningen – Chairman of the Board of Supervision of the Fries Museum en Prinsessehof |
| Date of first appointment to the Supervisory Board | June 2002 (Member of the Board of Directors from June 1996 until June 2002) |
| Current term of appointment to the Supervisory Board | June 2009 – June 2013 |
| Mr A.J.A.M. Vermeer (Antoon) | |
| Date of Birth | 21 October 1949 |
| Profession | Professional director/supervisory director |
| Main positions | Member of a dairy farming partnership (<i>maatschap melkveehouderijbedrijf</i>) |
| Nationality | Dutch |
| Additional positions | <p>Supervisory Directorships:</p> <ul style="list-style-type: none"> – Vice-Chairman of the Supervisory Board of Rabobank Nederland – Chairman of the Supervisory Board of VION N.V. – Member of the Supervisory Board of Eureko B.V. |
| Other additional positions | <ul style="list-style-type: none"> – Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University – Chairman of the Board of Supervision of HAS Den Bosch – Chairman of the Council for the Rural Area (<i>Raad voor het Landelijk Gebied</i>) |
| Date of first appointment to the Supervisory Board | June 2002 |
| Current term of appointment to the Supervisory Board | June 2010 – to be decided (June 2014 at the latest) |

Mrs I.P. Asscher-Vonk (Irene)

| | |
|--|---|
| Date of Birth | 5 September 1944 |
| Profession | Professional supervisory director |
| Main position | Emeritus professor at the Radboud University, Nijmegen |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: <ul style="list-style-type: none">– Member of the Supervisory Board of Rabobank Nederland– Member of the Supervisory Board of KLM– Member of the Supervisory Board of Arriva Nederland– Member of the Supervisory Board of Philip Morris Holland– Member of the Supervisory Board of TBI |
| Other additional positions | <ul style="list-style-type: none">– Chairman of the Episcopal Court (<i>Bisschoppelijk Scheidsgerecht</i>)– Chairman of the National Arbitration Board for Schools (<i>Landelijke Geschillencommissie Scholen</i>) |
| Date of first appointment to the Supervisory Board | June 2009 |
| Current term of appointment to the Supervisory Board | June 2009 – June 2013 |

Mr B. Bijvoet (Bernard)

| | |
|--|--|
| Date of Birth | 12 April 1940 |
| Profession | Professional supervisory director |
| Main position | None |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: <ul style="list-style-type: none">– Member of the Supervisory Board of Rabobank Nederland– Member of the Supervisory Board of Eureko B.V.– Chairman of the Supervisory Board of ware Food Group |
| Date of first appointment to the Supervisory Board | June 2002 |
| Current term of appointment to the Supervisory Board | June 2008 – to be decided (June 2012 at the latest) |

Mr A. de Bruijn (Tom)

| | |
|--|---|
| Date of Birth | 9 July 1953 |
| Profession | Entrepreneur Professional director / professional supervisory director |
| Main position | Grower of cut flowers and potted plants |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland |
| Other additional positions | – Acting member of the Board of Directors of Vereniging Achmea – Chairman of the Program Advisory Committee Greenhouse Farming Research (<i>Commodity Board for Horticulture / productschap tuinbouw</i>) – Member of the Board of the Dutch Foundation for Innovation in Greenhouse Farming (<i>Stichting Innovatie Glastuinbouw Nederland</i>) – Chairman of the Cooperative Growers Society FresQ (<i>Coöperatieve Telersvereniging</i>) – Member of the Board of the Dutch Produce Association (Branch association of market organisations in vegetables, fruit and fungi in The Netherlands) |
| Date of first appointment to the Supervisory Board | June 2009 |
| Current term of appointment to the Supervisory Board | June 2009 – June 2013 |

Mr W. Dekker (Wout)

| | |
|----------------------|---|
| Date of Birth | 10 November 1956 |
| Profession | Professional director |
| Main position | Chief Executive Officer / Chairman of the Executive Board of Nutreco N.V. |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland – Member of the Supervisory Board (member of the audit committee, member of the Remuneration Committee) of Macintosh Retail Group N.V. |

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| Other additional positions | <ul style="list-style-type: none"> – Member of the Advisory Council for Issuers Euronext Amsterdam – Member of the Taskforce Biodiversity and Natural Resources |
| Date of first appointment to the Supervisory Board | June 2010 |
| Current term of appointment to the Supervisory Board | June 2010 – June 2012 |

Mrs L.O. Fresco (Louise)

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|----------------------|--|
| Date of Birth | 11 February 1952 |
| Profession | Professional director Professor |
| Main positions | University Professor, University of Amsterdam |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: <ul style="list-style-type: none"> – Member of the Supervisory Board of Rabobank Nederland – Non-executive Director of Unilever N.V./Unilever PLC |

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| Other additional positions | <ul style="list-style-type: none"> – Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER) – Distinguished Professor at Wageningen University – Member of the Recommendation Committee for the University Asylum Fund – Vice-chairman of the Board of Supervision of the United Nations University in Tokyo – Member of the Royal Holland Society of Sciences and Humanities – Member of the Royal Netherlands Academy of Arts and Sciences – Member of the Spanish Academy of Engineering Sciences – Member of the Swedish Academy of Agricultural and Forestry Sciences – Member of the Advisory Board of Wereldvoedselprijs (World Food Prize) – Member of the Board of Erasmusprijs – Member of the Board of the Concertgebouworkest – Member of the former Delta Committee – Member of the Trilateral Committee |
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| | – Member of the InterAcademy Council |
| | – Columnist for the NRC Handelsblad |
| Date of first appointment to the Supervisory Board | June 2006 |
| Current term of appointment to the Supervisory Board | June 2010 – June 2014 |

Mr S.L.J. Graafsma RA (Leo)

| | |
|--|--|
| Date of Birth | 29 March 1949 |
| Former profession | Accountant/associate of an audit, tax and advisory firm |
| Nationality | Dutch |
| Additional position | – Deputy member of the ‘Accountantskamer’ (Chamber of accountants) resulting from the ‘Wet Tuchtrechtspraak Accountants’ (Disciplinary jurisdiction accountants) |
| Date of first appointment to the Supervisory Board | September 2010 |
| Current term of appointment to the Supervisory Board | September 2010 – June 2014 |

Mr E.A.J. van de Merwe (Erik)

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|----------------------------|---|
| Date of Birth | 30 December 1950 |
| Profession | – Advisor – Professional director / professional supervisory director |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland – Chairman of the Supervisory Board of Fornix Biosciences N.V. – Chairman of the Supervisory Board (and audit committee) of Staalbankiers N.V. – Chairman of the Supervisory Board (and audit committee) of Achmea Bank Holding N.V. – Chairman of the Supervisory Board of Welke Beheer N.V. – Member of the Supervisory Board (and Chairman of the audit committee) of Eureko B.V. |
| Other additional positions | – Non-executive Chairman of GWK Travelex N.V. – Member of the Board of Directors of Vereniging |

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|--|---|
| | Achmea |
| | – Member of the Board of Governors of the postgraduate study Corporate Compliance at VU University Amsterdam |
| | – Member Board of the Supervision and Chairman audit committee of the Dutch Burns Foundation (<i>Nederlandse Brandwonden Stichting</i>) |
| | – Member of the Advisory Council of the Euro Tissue Bank |
| | – Member of the Advisory Council of the Dutch Institute of Internal Auditors (IIA) |
| | – Member of the Arbitration committee of the Dutch Securities Institute (DSI) |
| | – Jury member for the Sijthoff Award |
| Date of first appointment to the Supervisory Board | June 2010 |
| Current term of appointment to the Supervisory Board | June 2010 – June 2012 |

Mr M. Minderhoud (Marinus)

| | |
|--|--|
| Date of Birth | 13 September 1946 |
| Profession | None |
| Main position | None |
| Nationality | Dutch |
| Additional Positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland – Vice-Chairman of the Supervisory Board of Eureka B.V. – Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V. – Chairman of Vodafone International Holdings B.V. – Chairman of Vodafone Europe B.V. |
| Date of first appointment to the Supervisory Board | June 2002 |
| Current term of appointment to the Supervisory Board | June 2007 – June 2014 |

Mr M. J.M. Tielen (Martin)

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|---------------|--|
| Date of Birth | 22 September 1942 |
| Profession | Professor |
| Main position | Emeritus Professor at Utrecht University |
| Nationality | Dutch |

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| Additional positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland |
| Other additional positions | – Chairman of the Evaluation Team of EAEVE to the Faculty of Veterinary Medicine, Afyon, Turkey – 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 <i>Honoris Causa</i> at the University of Environmental and Life Science in Wroclaw, Poland |
| Date of first appointment to the Supervisory Board | June 2002 |
| Current term of appointment to the Supervisory Board | June 2009 – June 2013 |

Mr C.P. Veerman (Cees)

| | |
|----------------------|--|
| Date of Birth | 8 March 1949 |
| Profession | Professor Professional director / supervisory director |
| Main positions | CEO of Bracamonte B.V. in Groesbeek Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective Crop farmer |
| Nationality | Dutch |
| Additional positions | Supervisory Directorships: – Member of the Supervisory Board of Rabobank Nederland – Member of the Supervisory Board of USG People – Member of the Supervisory Board of DHV Holding B.V. – Member of the Supervisory Board of Prominent – Member of the Supervisory Board of Barenbrug B.V. – Chairman of the Supervisory Board of Koninklijke Reesink N.V. – Member of the Supervisory Board of Ikazia Hospital Rotterdam – Member of the Board of Supervision of the |

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| | Knowledge for Climate research project (<i>Kennis voor Klimaat</i>) |
| | – Member of the Board of Supervision Deltares |
| | – Member of the Supervisory Board of KDS |
| Other additional positions | <ul style="list-style-type: none"> – Chairman of the Deltacommissie (2008) – Chairman of the Committee for the long term education system – Chairman of the Society for the Preservation of Nature Reserves in the Netherlands (<i>Vereniging Natuurmonumenten</i>) – Chairman of Project Administration of Noord Zuidlijn – Chairman of the Board of Supervision of Roosevelt Academy – Chairman of the Review Committee of TI Pharma – Chairman of the Advisory Board of Dutch Delta Academy – Member of the Governing Board of the Netherlands Organisation for Scientific Research (NWO) |
| Date of first appointment to the Supervisory Board | June 2007 |
| Current term of appointment to the Supervisory Board | June 2007 – June 2015 |

Executive Board of Rabobank Nederland

| Name | Nationality | Born | Year Appointed |
|--------------------------------------|---------------------|------|----------------|
| Piet (P.W.) Moerland, Chairman | Dutch | 1949 | 2009 |
| Bert (A.) Bruggink, CFO | Dutch | 1963 | 2004 |
| Berry (B.J.) Marttin | Dutch and Brazilian | 1965 | 2009 |
| Sipko (S.N.) Schat | Dutch | 1960 | 2006 |
| Piet (P.J.A.) van Schijndel | Dutch | 1950 | 2002 |
| Gerlinde (A.G.) Silvis | Dutch | 1959 | 2009 |

Piet (P. W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of 1 January 2003 and was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 July 2009. Mr. Moerland is responsible for Audit Rabobank Group and the Supervisory and Legal and Fiscal Affairs directorates. His portfolio furthermore includes the Knowledge & Economic Research and Communications

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 Supervisory Board of Rabohypothekbank and as member of the council of shareholders of Rabo Development B.V. Outside Rabobank, Mr. Moerland serves as chairman of the European Association of Co-operative Banks (*Groupement*) and member of the Board of Directors International Raiffeisen Union (IRU) and the National Cooperative Council for Agri- and Horticulture (Nationale Coöperatieve Raad voor Land- en tuinbouw (NCR)).

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Asset Management 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 Board of Supervisory Directors ROVA and member of the Supervisory Board of Rabohypothekbank, IPB Holding B.V., Rabo Herverzekeringsmaatschappij N.V., Robeco and the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden (FMO). Mr. Bruggink serves as chairman of the Board of Directors of Rabobank Ledencertificaten N.V., chairman of the Board of Directors of Stichting Rabobank Pensioenfondsen and member of the Board of Directors of Rabo Groei Sparen B.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 senior marketing 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 and member of the Supervisory Boards of Rabohypothekbank and De Lage Landen. Mr. Marttin is member of the board of Rabobank International Holding, RI Investments Holding B.V. and chairman of the council of shareholders of Rabo Development B.V. Mr. Marttin is a member of the Steering Committee, Unico Banking Group and member of the Board of Directors of the American Chambers of Commerce. Mr. Marttin serves as chairman of the Foundation Supervision Internal Market Rabo Extra Member Notes (*Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties*).

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as of 1 July 2006. Mr. Schat is responsible for the international wholesale business and is primarily responsible for Corporate Clients Large Businesses, Corporate Finance, Trade & Commodity Finance and Global Financial Markets. Mr. Schat took a position as in-house counsel with Rabobank Nederland between 1985 and 1990. Mr. Schat was senior manager, Structured Finance between 1990 and 1995, Head Corporate Finance of Rabobank Ireland plc between January 1994 and December 1994, Head of Structured Finance Europe between 1995 and

1999 and Head of Corporate Finance of Rabobank International between 1999 and 2002. Mr. Schat also held positions as Head of Corporate Finance (worldwide), member of the Supervisory Board of Rabobank Ireland plc and Managing Director of Rabo Merchant Bank N.V. As of April 2002 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 Boards of Rabo Bouwfonds Holding N.V., Rabo Vastgoedgroep, Rabohypothekbank, Bank Sarasin & Cie AG and Rothschilds Continuation Holding AG. Mr. Schat is member of the board of Rabobank International Holding and of RI Investments Holding B.V. Furthermore he fulfils a number of external positions on behalf of Rabobank, being a member of the Advisory Council for Issuers (NYSE Euronext Amsterdam), member of the Executive Board of employer's organisation VNO-NCW and member of the Steering Committee Unico Banking Group.

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, Rabohypothekbank 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, Cooperation & Sustainability and Human Resources directorates. Mrs. Silvis joined Rabobank in 1984. Having begun working for Rabobank Nederland as a management trainee, she then went on to hold a number of positions within the securities division, the international division, the payments division and Rabofacet. In her role as Head of Administrative Affairs, she was closely engaged in the process of merging local Rabobanks. In recent years, she has served as Head of the Management and Talent Development Directorate and has been responsible for merging the Human Resources and Management and Talent Development directorates into a single directorate providing integrated services for the entire Rabobank Group. Mrs. Silvis serves as chairman of the board of the Foundation Contingency Fund Rabobanken (*Stichting Garantiefonds Rabobanken*), the Foundation Guarantee Rabobank (*Stichting Waarborg Rabobank*) and Chairman of the Board of the Foundation Supervision Internal Market Rabobank Member Certificates (*Stichting Toezicht Interne Markt Rabobank Ledencertificaten*). Mrs. Silvis furthermore serves as member of the Board of the Rabobank Foundation and as member of the Supervisory Board of Rabohypothekbank and the Supervisory Board of De Lage landen. Furthermore she fulfils a number of external positions, on behalf of Rabobank as member of the Board of the Dutch Association of Banks (Nederlandse Vereniging van Banken), Holland Financial Centre and INSEAD Dutch Council and as member of the Supervisory Board of Koninklijke Kentalis Zorggroep.

Administrative, management and supervisory bodies – conflicts of interests

The Issuer is not aware of any potential conflicts of interest between the duties to Rabobank and their private interests or other duties of the persons listed above under "Supervisory Board of Rabobank Nederland" and "Executive Board of Rabobank Nederland".

Administrative, management and supervisory bodies – business address

The business address of the members of Rabobank's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union (“EU”) legislation, which has a significant impact on the regulation of Rabobank Group’s banking, asset management and broker-dealer businesses in the EU, and the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the “**Basel Committee**”) develops international capital adequacy guidelines based on the relationship between a bank’s capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “**Basel guidelines**”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce 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 to select approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the “Standardised Approach”, the “Foundation Internal Ratings Based Approach” and the “Advanced Internal Ratings Based Approach”. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Probability of Default”. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “Exposure at Default” and the “Loss Given Default”. 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.

In the future, under Basel III, capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector”. The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010 the Basel Committee issued its final view on Basel III. The framework sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee’s package of reforms includes increasing the minimum common equity (or equivalent) requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments which will be gradually phased in from 1 January 2013 until 1 January 2017). The total tier 1 capital requirement will increase from 4 per cent. to 6 per cent. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total common equity (or equivalent) requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer of up to 2.5 per cent. of common equity (or other fully loss absorbing capital) may be applied as an extension of the conservation buffer. Furthermore, banks considered to have systemic importance should have loss absorbing capacity beyond these standards. The capital requirements are to be supplemented by a leverage ratio, and a liquidity coverage ratio and a net stable funding ratio will also be introduced. The proposed reforms are expected to be implemented from the beginning of 2013, although certain requirements are subject to a series of transitional arrangements and will be phased in over a period of time, to become fully effective by 2019.

The Basel Committee’s reforms have introduced two international minimum standards for liquidity risk supervision with the aim of ensuring banks have an adequate liquidity buffer to absorb liquidity shocks. The first one is the liquidity coverage ratio (“LCR”; to be introduced on 1 January 2015), which is a test to promote short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is a net stable funding ratio (“NSFR”; to be introduced on 1 January 2018), which is a test to promote resilience over a longer period by creating additional incentives for banks to fund their activities with more stable funding on an ongoing basis. The NSFR test is similar to the LCR except the period over which it is tested is one year.

There can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Commission and/or the Dutch Central Bank may

implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital requirements on Dutch banks.

European Union standards

The European Union 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 (the “**Capital Requirements Directive**”), respectively, to introduce the new capital requirements framework agreed by the Basel Committee. The new rules on capital requirements reflect the flexible structure and the major components of Basel II, tailored to the specific features of the EU market. The simple and intermediate approaches of Basel II have been available from January 2007 and the most advanced approaches since January 2008.

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.

The Capital Requirements Directive has been amended three times in 2009 and once in 2010 to repair shortcomings identified in the original Capital Requirements Directive. The amendments entered into force as of 31 December 2010 with certain further amendments due to enter into force on 31 December 2011. Further amendments to the Capital Requirements Directive will take place in the future due to the implementation of the new requirements under Basel III.

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board (“ESRB”) and the following three European Authorities: Banking (“EBA”), Insurance and Occupational Pensions (“EIOPA”) and Securities and Markets (“ESMA”). These institutions have been in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

The European Commission is proposing a European Crisis Management Framework. In this framework different issues will be addressed, such as prevention tools and early intervention and final resolution mechanisms. Rabobank Group generally supports the Basel Committee and European Commission reform programmes to strengthen the global capital and liquidity regulations and reduce market volatility. Notwithstanding, a number of proposals may hamper traditional retail-oriented institutions in their intermediary function, and thus reduce their ability to play their important role in the European economy. Further, the new rules still allow national regulators a measure of autonomy. For instance, the liquidity requirements assign relatively extensive powers to national regulators, which may affect the level playing field in the European Internal Market. Hence the biggest challenge for policy makers and supervisors is to take a coordinated and unified approach. It is essential that supervisors and regulators across the globe adopt a more consistent and coordinated approach (for example, while Europe is already introducing Basel III, Basel II is not yet fully applied in the US).

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group’s operating results, financial condition and prospects.

Dutch regulation

General

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

Pursuant to authority granted under the Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of Rabobank Group’s activities. The Netherlands Authority for the Financial Markets supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act.

Scope of the Financial Supervision Act

A bank is any enterprise whose business it is to receive repayable funds from outside a closed circle and from others than professional market parties, and to grant credits for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the local Rabobanks, are banks and, because they are engaged in the securities business as well as the commercial banking business, each is considered a “universal bank”.

Licensing

Under the Financial Supervision Act, a bank established in the Netherlands is required to obtain a licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the bank must have a minimum own funds (*eigen vermogen*) of € 5,000,000.

Also, the Dutch Central Bank shall refuse to grant a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank, (ii) the trustworthiness of the persons who determine the policy of the bank is not beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to “prudent banking policy” (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining it.

Reporting and investigation

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports.

Rabobank Nederland and the local Rabobanks must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the Dutch Central Bank. Rabobank Nederland’s independent auditor audits these reports annually.

Under the Dutch Financial Supervision Act, Rabobank Nederland is required to make its annual financial statements and its semi-annual financial statements generally available to the public within four months and two months, respectively, of the end of a period to which the financial information relates. In addition, Rabobank must make generally available an interim management statement during each half-year period. Such interim management statement must be made public in the period between 10 weeks after the beginning and six weeks before the end of the relevant half-year period. The annual and semi-annual financial statements and the interim management statements must be filed with the AFM simultaneously with their publication.

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 a group of related debtors exceeds a certain limit.

Structure supervision

The Financial Supervision Act provides that a bank must obtain a declaration of no objection from the Minister of Finance (or in certain cases from the Dutch Central Bank) before, among other things: (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code (ii) acquiring or increasing a qualified holding in a regulated institution such as a bank or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total; (iii) acquiring or increasing a "qualified holding" in 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, directly or indirectly, all or a substantial part of the assets and liabilities of another enterprise or institution if this amounts to more than 1 per cent. of the bank's consolidated balance sheet total; (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total; or (vi) proceeding with a financial or corporate reorganisation. For the purposes of the Financial Supervision Act, "qualified holding" is defined to mean the holding, directly or indirectly, of an interest of at least 10 per cent. of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a Dutch bank, or to exercise any voting power in connection with such holding, only after such person has obtained a declaration of no objection from the Minister of Finance (or in certain cases from the Dutch Central Bank).

Administrative supervision

The Dutch Central Bank also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

The Financial Supervision Act contains an "emergency regulation" which can be declared in respect of a bank by a Dutch court at the request of the Dutch Central Bank in the interest of the combined creditors of the bank. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

U.S. regulation

Dodd-Frank

In the United States the Dodd-Frank Wall Street Reform and Consumer Reform Act ("**Dodd-Frank**") contains very significant reforms, the full effect of which can only be assessed when the implementation rules are finalised. There have also been numerous derivative proposals from the Commodity Futures Trading Commission ("**CFTC**") and the Securities and Exchange Commission ("**SEC**") plus joint agency proposals to implement minimum capital standards (the Collins Amendment) and market risk capital guidelines.

CAPITALISATION OF RABOBANK GROUP

The following table sets forth in summary form Rabobank Group's consolidated own funds and consolidated long-term and short-term debt securities at 31 December 2010 and at 31 December 2009:

| | At 31 December | |
|--|----------------|----------------|
| | 2010 | 2009 |
| <i>(in millions of euro)</i> | | |
| Equity of Rabobank Nederland and local Rabobanks | | |
| Retained earnings and other reserves | 24,749 | 21,963 |
| Rabobank Member Certificates issued by a group company | 6,583 | 6,315 |
| Capital Securities and Trust Preferred Securities III to VI | 6,306 | 6,182 |
| Non-controlling interests | 3,119 | 3,423 |
| Total equity | 40,757 | 37,883 |
| Subordinated debt | 2,482 | 2,362 |
| Long-term debt securities in issue | 124,024 | 93,382 |
| Short-term debt securities in issue | 72,795 | 78,370 |
| Total capitalisation | 240,058 | 211,997 |
| Breakdown of reserves and retained earnings | | |
| Revaluation reserves for available-for-sale financial assets | 48 | (368) |
| Other reserves | 80 | (322) |
| Retained earnings | 24,621 | 22,653 |
| Total reserves and retained earnings | 24,749 | 21,963 |

On 26 January 2011 Rabobank Nederland issued U.S. \$2,000,000,000 Perpetual Non-Cumulative Capital Securities.

There has been no other material change in the capitalisation of Rabobank Group since 31 December 2010.

TAXATION

DUTCH TAXATION

Introduction

The following summary does not purport to be a comprehensive description of all Dutch tax considerations that could be relevant for holders of the Securities. This summary is intended as general information only. Each prospective holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities. This summary is based on Dutch tax legislation and published case law in force as of the date of this Base Prospectus. It does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

Scope

Regardless of whether or not a holder of Securities is, or is treated as being, a resident of the Netherlands, this summary does not address the Dutch tax consequences for such a holder:

- having a substantial interest (*aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- who is a private individual and may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Securities are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Securities;
- which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer within the meaning of article 13 of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);
- which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes; or
- which is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of benefits derived from the Securities.

For the purpose of this summary the Issuer is considered to be the beneficial owner (*uiteindelijk gerechtigde*) of the Underlying.

Withholding tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Income tax

Resident holders

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the Securities as assets that are held in box 3. Taxable income with regard to the Securities is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities, less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent.

Non-resident holders

A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Securities.

Corporate income tax

Resident holders or holders having a Dutch permanent establishment

A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands, is taxed in respect of benefits derived from the Securities at rates of up to 25 per cent.

Non-resident holders

A holder which is a corporate entity and for the purposes of Dutch corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, having no permanent establishment in the Netherlands (and is not treated as having such a permanent establishment), will not be subject to such tax in respect of benefits derived from the Securities.

Gift and inheritance tax

Resident holders

Dutch gift tax or inheritance tax (*schenk- en erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

Non-resident holders

No Dutch gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

Other taxes

No Dutch turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the acquisition of Securities, with respect to any cash settlement of Securities or with respect to the delivery of

Securities. Furthermore, no Dutch registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Securities.

EU Savings Directive

The European Union has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories including Switzerland have adopted similar measures to the EU Directive.

SUBSCRIPTION AND SALE

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 27 October 2011 (as amended or supplemented as at the Issue Date (the “**Programme Agreement**”), between the Issuer and the Initial Dealers (as defined in the Programme Agreement) the Securities will be offered on a continuous basis by the Issuer to the Initial Dealers (unless otherwise agreed). However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Initial Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Securities to be issued in syndicated tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Final Terms.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from, and including, the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (A) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (C) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, 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
- (D) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive ,

provided that no such offer of Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

France

Each Dealer has represented and agreed that:

- (A) with regard to an offer to the public in France, it has only made and will only make an offer of Securities to the public (*appel public à l'épargne*) in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“**AMF**”) of the approval of the prospectus relating to the Securities by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or
- (B) with regard to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

United Kingdom

Each Dealer has represented and agreed that:

- (A) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (B) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (C) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities of any identifiable tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and certified to the Issuer, by the relevant Agent or, in the case of Securities issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, unless in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Securities, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has further agreed that it will have sent to each distributor, dealer or person receiving a selling concession fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

China

Each Dealer has represented and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Hong Kong

Each Dealer has represented and agreed that:

- (A) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (B) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be

disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Korea

Each Dealer has represented and agreed that Securities have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Market Act and its subordinate decrees and regulations (collectively, the “**FISCMA**”). The Securities may not be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law its subordinate decrees and regulations (collectively, the “**FETL**”). Without prejudice to the foregoing, the number of the Securities offered in Korea or to a resident in Korea shall be less than fifty and for a period of one year from the issue date of the Securities, none of the Securities may be divided resulting in an increased number of the Securities. Furthermore, the Securities may not be resold to Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL) in connection with the purchase of the Securities.

Macau

Each Dealer has represented and agreed that the Securities may not be promoted, distributed, sold or delivered in the Macau Special Administrative Region of the People’s Republic of China (Macau), and that documents relating to the Securities may not be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Securities in Macau. The Securities are not registered or otherwise authorised for public offer under the Macau Financial System Act, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (A) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (B) to a relevant person pursuant to Section 275(1), or any person pursuant to

Section 275(1A) and in accordance with the conditions specified in Section 275 of the SFA or (C) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Securities are subscribed or purchased under Section 275 by a relevant person which is:

- (A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

- (A) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (B) where no consideration is given for the transfer;
- (C) where the transfer is by operation of law; or
- (D) as specified in Section 276(7) of the SFA.

Switzerland

If the relevant Final Terms specify that the Securities are not publicly offered in or from Switzerland:

- (A) the Securities may not be publicly offered in or from Switzerland, as such term is defined or interpreted under the Swiss Federal Code of Obligations or the Swiss Federal Act on Collective Investment Schemes, and neither the Programme nor any documents related to the Securities shall constitute a prospectus in the sense of article 652a or 1156 of the Swiss Federal Code of Obligations, or constitute a simplified prospectus in the sense of article 5 of the Swiss Collective Investment Schemes Act. The Securities do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes and they are neither subject to approval nor supervision by the Swiss Financial Market Supervisory Authority (“**FINMA**”); and
- (B) such Securities may only be offered or sold in or from Switzerland to qualified investors within the meaning of, and in accordance with, the Swiss Collective Investment Schemes Act.

Taiwan

The Securities may not be offered or sold in Taiwan through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan. The Securities may only be made available for purchase outside Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Securities.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities, or has in its possession or distributes this Base Prospectus, any other offering material or any final terms.

GENERAL INFORMATION

- 1 Application has been made to the AFM to approve this document as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application will be made for Securities issued under the Programme, on or after the implementation of the Prospectus Directive in the Netherlands and up to the expiry of 12 months from the date of this Base Prospectus, to be admitted for trading on Euronext Amsterdam and to list on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
- 2 The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The update of the Programme was authorised pursuant to a resolution of the Issuer passed on 27 October 2011.
- 3 There has been no significant change in the financial or trading position of the Issuer since 31 December 2010 nor of the Group since 30 June 2011, and there has been no material adverse change in the financial position or prospects of the Issuer nor of the Group since 31 December 2010.
- 4 Save as disclosed in “*Description of Business of Rabobank Group — Legal proceedings*” on page 243 of this Base Prospectus, 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.
- 5 The Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each series of Securities will be set out in the relevant Final Terms. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any Alternative Clearing System will be specified in the relevant Final Terms.
- 6 For the period of 12 months following the date of this Base Prospectus, copies of the following documents will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the offices of the Paying Agents:
 - (A) the Agency Agreement (as amended and supplemented from time to time);
 - (B) the articles of association of the Issuer;
 - (C) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2008, 2009 and 2010 (together with the explanatory notes) and the independent auditor’s reports in respect of such financial statements;
 - (D) the audited unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2008, 2009 and 2010 (together with the explanatory notes) and the independent auditor’s reports in respect thereof;
 - (E) the annual reports of Rabobank Group for the years ended 31 December 2008, 2009 and 2010;
 - (F) the unaudited interim report of Rabobank Group for the six-month period ended 30 June 2011 and the review report on the condensed consolidated interim financial information in respect thereof;
 - (G) a copy of the latest Base Prospectus (together with any supplement including the Final Terms thereto); and

(H) a copy of the 2006 ISDA Definitions.

- 7 For the period of 12 months following the date of this Base Prospectus, copies of the latest annual consolidated financial statements of Rabobank Group and the latest condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2011 may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Copies of the latest annual unconsolidated accounts of Rabobank Nederland may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Securities are outstanding. Rabobank Nederland does not publish unconsolidated interim accounts.
- 8 Ernst & Young Accountants LLP, of which the “*Registeraccountants*” are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified independent auditor’s reports on the financial statements of Rabobank Nederland for the years ended 31 December 2008, 2009 and 2010. Ernst & Young Accountants LLP has given its consent to the incorporation by reference in this Base Prospectus of their independent 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 incorporation by reference of its review report on the condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2011.
- 9 A copy of this Base Prospectus has been, and a copy of each Final Terms will be filed, if required under applicable law, with the Netherlands Authority for the Financial Markets.
- 10 The Issuer is subject to corporate income tax.
- 11 The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue in accordance with prevailing market conditions.
- 12 The Issuer does not intend to provide any post-issuance information in relation to any issues of Securities constituting Derivative Securities (as such term is used in the Commission Regulation (EC) No. 809/2004).

PRINCIPAL OFFICE OF THE ISSUER

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INDEPENDENT AUDITOR TO THE ISSUER

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AGENTS

PRINCIPAL WARRANT AGENT

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LUXEMBOURG WARRANT AGENT

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EUROCLEAR NETHERLANDS FISCAL AGENT

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EURONEXT AMSTERDAM LISTING AGENT

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