

OFFERING CIRCULAR



(Incorporated with limited liability under the laws of The Netherlands and having its corporate seat in The Hague)

Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

Under this Programme for the Issuance of Debt Instruments (the "**Programme**"), NIBC Bank N.V. (formerly known as NIB Capital Bank N.V., the "**Issuer**") may from time to time issue one or more Tranches (as defined herein) of notes (the "**Notes**") and capital securities (the "**Capital Securities**"), and together with the Notes the "**Instruments**"). The maximum aggregate nominal amount of all Instruments from time to time outstanding under the Programme will not exceed Euro 20,000,000,000.

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (within the meaning of Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Application has been made to the Financial Services Authority (in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "**FSMA**"), the "**UK Listing Authority**") for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Instruments being "**listed**" (and all related references) shall mean that such Instruments have, in the case of Notes, been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List, and in the case of Capital Securities, been admitted to trading and listing on Euronext Amsterdam N.V. ("**Euronext Amsterdam**") by NYSE Euronext or in each case, been admitted to trading and listing on any other stock exchange and/or regulated market European Economic Area as determined in the relevant Final Terms. The London Stock Exchange's regulated market and Euronext Amsterdam by NYSE Euronext are regulated markets for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**").

The Programme also permits Instruments to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Offering Circular under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore inquire whether the Offeror is so authorised by the Issuer. If the Offer is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Offering Circular for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Offering Circular and/or who is responsible for its contents it should take legal advice.

An Investor intending to acquire or acquiring any securities from an Offeror will do so, and offers and sales of the securities to an Investor by an Offeror will be made, in accordance with any terms of other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the securities and, accordingly, neither this Offering Circular nor any Final Terms will contain such information, an Investor must obtain such information from the Offeror. Such information will be provided at the time of any sub-offers.

An investment in Instruments issued under the Programme involves certain risks. A section containing "Risk Factors" has been included in the Offering Circular (please see pages 10 - 22 of the Offering Circular).

References in this Offering Circular to "**Passported Countries**" shall mean the European Economic Area Member State(s) whose competent authorities have received from the UK Listing Authority (i) a copy of the Offering Circular; (ii) a certificate of approval pursuant to Article 18 of Directive 2003/71/EC (the "**Prospectus Directive**") attesting that the Offering Circular has been drawn up in accordance with the Prospectus Directive; and (iii) if so required by the relevant European Economic Area Member State(s), a translation of the summary set out on pages 5 to 9 of the Offering Circular.

Notice of the aggregate nominal amount of Instruments, interest (if any) payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes/Capital Securities*") of Instruments will be set out in a Final Terms document (the "**Final Terms**") which, with respect to Notes to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange and with respect to Capital Securities to be listed on Euronext Amsterdam by NYSE Euronext will be filed with the UK Listing Authority, the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) and Euronext Amsterdam, on or before the date of issue of the Instruments of such Tranche. The Issuer may agree with any Dealer that Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments herein, in which event a supplemental Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Instruments.

Arranger

MORGAN STANLEY

Dealers

**BOFA MERRILL LYNCH
COMMERZBANK
GOLDMAN SACHS INTERNATIONAL
J.P. MORGAN
MORGAN STANLEY
SANTANDER GLOBAL BANKING & MARKETS
THE ROYAL BANK OF SCOTLAND**

**CITI
DEUTSCHE BANK
ING COMMERCIAL BANKING
LANDESBANK BADEN-WÜRTTEMBERG
NIBC BANK
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT
BANKING
UBS INVESTMENT BANK**

The date of this Offering Circular is 10 June 2011

IMPORTANT NOTICES

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

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

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to any underlying equity security, index, commodity, currency, entity, debt security or other item(s) (each a "**Reference Item**") to which the relevant Instruments relate and which is contained in such Final Terms. However, unless otherwise expressly stated in a Final Terms, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the Issuer, owner or sponsor, as the case may be, of such Reference Item. The Issuer will, unless otherwise expressly stated in the applicable Final Terms, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and state in connection therewith that so far as it is aware and is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading, but the Issuer will not accept any further or other responsibility (express or implied) in respect of such information.

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

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. For the avoidance of doubt, nothing in this paragraph affects the representations, responsibilities or undertakings of the Issuer as may be set out in this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Instrument (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any Dealer that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Instrument should purchase any Instrument. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Instruments.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Instruments shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Instruments of any information coming to its attention.

This Offering Circular does not – and any Final Terms do not – constitute an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Instruments have not been and will not be registered under the United States Securities Act and are subject to U.S. tax law requirements. The distribution of this Offering Circular and the offer or sale of Instruments may be restricted by law in

certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Instruments 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, no action has been taken by the Issuer or any Dealer which is intended to permit a public offering of any Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the Offering and sale of Instruments (see "*Subscription and Sale*" below).

The Instruments are being offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Instruments may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**"). For a description of the these and certain further restrictions see "*Subscription and Sale*".

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Instruments being offered, including the merits and risks involved. See "*Risk Factors*" below. In addition any applicable Final Terms may contain specific risk factors relating to the relevant issue of Instruments.

Neither the Dealers nor the Issuer makes any representation to any investor in the Instruments regarding the legality of its investment under any applicable laws. Any investor in the Instruments should be able to bear the economic risk of an investment in the Instruments for an indefinite period of time.

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

Convertible or exchangeable Notes to be admitted to trading on the London Stock Exchange's regulated market and to be admitted to the Official List will not be issued under the Programme unless such issue is accompanied by a separate Offering Circular or Supplement to this Offering Circular which sets out the relevant information in relation to such convertible or exchangeable Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been previously published or are published simultaneously with this Offering Circular and approved by or filed with the Financial Services Authority shall be incorporated in, and form part of, this Offering Circular:

- (1) the most recent Articles of Association of the Issuer
- (2) the Terms and Conditions from the Offering Circular dated 10 June 2010;
- (3) the Terms and Conditions from the Offering Circular dated 11 June 2009;
- (4) the Terms and Conditions from the Offering Circular dated 26 June 2008;
- (5) the Terms and Conditions from the Offering Circular dated 6 July 2007; and
- (6) the audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2009 of the Issuer, including the auditor's reports in respect of such financial statements,

save that any statement contained herein or any of the documents incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

The Issuer and the Paying Agents (at their specified offices) will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of any such person, a copy of any or all of the documents incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer or the specified office of any Paying Agent set out at the end of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer will, in connection with the listing of the Instruments in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Instruments, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Instruments. The Issuer has undertaken to the Dealers in the Dealer Agreement (as defined in "*Subscription and Sale*") that it will comply with section 87G of the FSMA.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Instruments should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area ("EEA") no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to the information contained in this Offering Circular is brought before a court in a Member State of the EEA, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

Words and expressions defined in "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Capital Securities*" below shall have the same meanings in this summary.

INFORMATION ABOUT THE ISSUER

History and Incorporation

NIBC Bank N.V. ("**NIBC Bank**" or "**Issuer**") was established in 1945 as Maatschappij tot Financiering van Nationaal Herstel by the Dutch Government and a number of commercial banks and institutional investors to provide financing for the post-World War II economic recovery of The Netherlands. NIBC Bank N.V. is a Netherlands public limited liability company, with statutory seat in The Hague.

In December 2005, a consortium of international financial institutions and investors organized by J.C. Flowers & Co. and ultimately controlled by New NIB Ltd., a company incorporated under the laws of Ireland purchased all of the outstanding equity interests of NIB Capital N.V. In connection with this acquisition, NIBC Holding N.V. was formed and NIB Capital N.V. became its wholly-owned subsidiary. Subsequently, the Issuer changed its name from "NIB Capital Bank N.V." to "NIBC Bank N.V.".

The Supervisory Board of the Issuer consists of eleven supervisory board members. As at the date of this Offering Circular, the Managing Board of the Issuer consists of Messrs. J. P. Drost, C. van Dijkhuizen, R. H. ten Heggeler, J. van Hessen and J. Sijbrand. On 20 May 2011 it was announced the J. Sijbrand, Chief Risk Officer, Head of Risk Management, will resign as a member of the Management Board of the Issuer. As at the date of this Offering Circular, this is expected to take place on 1 July 2011.

Major Business Activities

The Issuer is a Dutch bank providing advisory, financing and investment services to medium-sized companies primarily in the Benelux and Germany.

Headquartered in The Hague, the Issuer also has offices in London, Brussels, Frankfurt, and Singapore.

RISK FACTORS

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Instruments issued under the Programme. These are set out under "*Risk Factors*" and include risk related to the adverse effects of general economic and other business conditions, risk related to substantial competitive pressures, risk related to regulatory changes as well as operational risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Instruments issued

under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Instruments and certain market risks.

THE PROGRAMME

Under the Programme, the Issuer may issue many different types of Instruments such as conventional debt instruments linked to interest rates or Instruments whose repayment terms and/or other terms, including interest, may be linked to a number of different "*Reference Items*". Reference Item means any funds, shares, indices, commodities, currencies, or basket thereof, company or other such institution or basket of the same or any other type of share, debt performance indicator or any other underlying the performance of which affects the amounts payable under the Terms and Conditions of the relevant Instrument.

Listing and admission to trading Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Offering Circular to be admitted to trading on the London Stock Exchange's regulated market and to be admitted to the Official List.

Instruments may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Instruments which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Instruments are to be listed and/or admitted to trading and, if so, on which Stock Exchange(s) and/or markets.

Programme Amount Up to Euro 20,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase or decrease the amount of the Programme.

Rating Long-term Unsubordinated Notes (other than those with a Redemption Amount depending on an Index, an Underlying Equity or a Credit Event) issued under the Programme will initially be rated Baa3 by Moody's France SAS ("**Moody's**"), BBB by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and BBB by Fitch Ratings Limited ("**Fitch**").

A rating for Subordinated Notes and Capital Securities may be specified in the applicable Final Terms. Any such rating will be lower than that of the Unsubordinated Notes.

Moody's, Standard and Poor's and Fitch are established in the European Union and have applied to be registered under Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"), although as of the date of this Offering Circular notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

Whether or not each credit rating applied for in relation to a relevant Tranche of Instruments will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which

has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused. A credit rating is not a recommendation to buy, sell or hold Instruments and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Use of Proceeds

The net proceeds from each issue of Instruments will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Instruments may be used to hedge market risk with respect to such Instruments.

Governing Law

The Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Notes and all related contractual documentation will be governed by English law save that the subordinated provisions applicable to Subordinated Notes described in Condition 2.2 of the Notes shall be governed by and construed in accordance with the laws of The Netherlands.

The Capital Securities and the trust deed in respect thereof shall be governed by and construed in accordance with the laws of The Netherlands.

Instruments

Instruments means Notes and Capital Securities.

Form of Instruments

The Notes will be issued in bearer form or in registered form as further described in "*Form of the Notes*" at page 28.

The Capital Securities will be issued in bearer form as further described in Condition 1 of the Capital Securities at page 182.

Notes in registered form may not be exchanged for Notes in bearer form.

Status

The Notes will either (i) constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations if any) of the Issuer, save for such obligation as may be preferred by provisions of law that are both mandatory and of general application or (ii) constitute direct, unsecured and subordinated obligations of the Issuer and will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for such obligation as may be preferred by provisions of law that are both mandatory and of general application.

The Capital Securities will always constitute subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

For the purposes of the Prudential Supervision Decree Wft (*Besluit prudentiële regels Wft*, the "**Decree**") of the Dutch Central Bank (*De Nederlandsche Bank N.V.*, the "**DNB**") to which the Issuer is subject, subordinated Notes may qualify as either tier 2 capital ("**Tier 2 Notes**") or tier 3 capital ("**Tier 3 Notes**"), as referred to in the Decree. Tier 2 Notes may qualify as either Upper Tier 2 Notes or Lower Tier 2 Notes. "**Upper Tier 2 Notes**" are perpetual securities and have no maturity date. "**Lower Tier 2 Notes**" include subordinated Notes with a minimum original maturity of five years

and a day.

Maturities

The Notes may have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to a minimum maturity of one month and a maximum maturity of 30 years and such to minimum or maximum maturities 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 Issuer or the relevant Specified Currency.

The Capital Securities are perpetual with no scheduled maturity date and may only be redeemed at the Issuer's option as a result of taxation reasons, a Capital Disqualification Event or on notice given by the Issuer. In the event of a redemption for taxation reasons or on notice by the Issuer, such redemption will be subject to the approval of the DNB.

Taxation

Payments in respect of Instruments will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law or by the administration or official interpretation thereof. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts as will result in the holders of Instruments receiving such amounts as they would have received in respect of such Instruments had no such withholding or deduction been required.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Instruments in the United States, the European Economic Area (including the United Kingdom, The Netherlands, Belgium, France, Italy and Norway), Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

Negative Pledge

The Notes will have the benefit of a negative pledge provision as further described in Condition 2.3 of the Notes.

Cross Default

The terms of the Notes will contain a cross default provision as further described in Condition 5(d) of the Notes.

Distribution

Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution will be stated in the applicable Final Terms.

Subordination

Payments in respect to Subordinated Notes will be subordinated as further described in Condition 2.2 of the Notes.

The rights and claims of the investors in Capital Securities are subordinated to all obligations of the Issuer including tier 2 instruments. Upon any winding-up or liquidation of the Issuer, the holder of each Capital Security will effectively from a financial point of view rank *pari passu* with the holders of the most senior class or classes of preference shares (if any) or other hybrid tier 1 securities, issued directly or indirectly, or guaranteees ranking effectively from a financial point of view *pari passu* with such preference shares (if any) or other hybrid tier 1 securities of the Issuer then in issue (collectively such preference shares and

guarantees will be "**Parity Securities**") and in priority to all other shareholders of the Issuer.

So long as any of the Capital Securities remains outstanding, the Issuer will not issue any preference shares (or other securities or instruments which are akin to preference shares as regards distributions or on a return of assets upon liquidation of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) or give any guarantee or contractual support arrangement in respect of any of the Issuer's preference shares or such other securities or instruments or in respect of any other subsidiary of the Issuer if such preference shares, preferred securities, guarantees or contractual support arrangements would rank (as regards distributions on a return of assets upon liquidation of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) senior to the Capital Securities, unless the Issuer alters the terms of the Capital Securities such that the Capital Securities rank *pari passu* effectively from a financial point of view with any such preference shares, such other securities or instruments akin to preference shares or such guarantee or support undertaking.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. 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 Instruments issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Instruments are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on our business operations. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes" and "Terms and Conditions of the Capital Securities".

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

The Issuer's results and liquidity can be adversely affected by general economic conditions, markets and other business conditions

The Issuer's results and liquidity are affected by general economic, market and other business conditions. These conditions include changing economic cycles that affect demand for investment and banking products. Such cycles are also influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence, industrial output, labour or social unrest and political uncertainty.

Liquidity risk is the risk that a bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise specific factors, including an over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. In the recent past, credit markets worldwide experienced a severe reduction in supply of liquidity and term-funding. During this time, perception of counterparty risk between banks also increased significantly. This increase in perceived counterparty risk also led to reductions in inter-bank lending, and hence, in common with many other banking groups, the Issuer's access to traditional sources of liquidity has been, and may continue to be, restricted. The Issuer's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its assets, controlling the mismatch of maturities and carefully monitoring its undrawn commitments and contingent liabilities. However, the Issuer's ability to access sources of liquidity (for example, through the issue or sale of financial and other instruments or through the use of term loans) during the recent period of liquidity stress has been constrained. In periods of liquidity stress the Issuer, in line with other financial institutions, may need to seek funds from alternative sources, potentially at higher costs of funding than has previously been the case. In addition, there is also a risk that corporate and institutional counterparties with credit exposures may look to reduce all credit exposures to banks, given current risk aversion trends. It is possible that credit market dislocation becomes so severe that overnight funding from non-government sources ceases to be available.

Like many banks, the Issuer relies on customer deposits to meet a considerable portion of its funding. However, such deposits are subject to fluctuation due to certain factors outside the Issuer's control, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors, which could result in a significant outflow of deposits within a short period of time. An inability to grow, or any material decrease in, the Issuer's deposits could, particularly if accompanied by one of the other factors described above, have a negative impact on the Issuer's ability to satisfy its liquidity needs unless corresponding actions were taken to improve the liquidity profile of other deposits or to reduce assets. The governments of some of the

countries in which the Issuer operates have taken steps to guarantee the liabilities of the banks and branches operating in their respective jurisdiction.

There can be no assurance that these measures, alongside other available measures, will succeed in improving the funding and liquidity in the markets in which the Issuer operates, or that these measures, combined with any increased cost of any funding currently available in the market, will not lead to a further increase in the Issuer's overall cost of funding, which could have an adverse impact on the Issuer's financial condition and results of operations.

The Issuer uses securitisation techniques as one of the means to obtain funding and for regulatory capital relief purposes. Due to the prevailing and widely reported global credit market conditions (which continue at the date hereof) there has been a significant reduction in demand for asset backed securities. Disruptions in liquidity of the asset backed securities market, for whatever reason, may, depending on the availability of alternatives, result in an increase in the cost of the Issuer's funding and a decrease in the funding capacity of the Issuer and may have an adverse affect on the Issuer's financial condition and/or results of operations.

The Issuer's performance is subject to substantial competitive pressures that could adversely affect its results of operations

There is substantial competition for the types of banking and other products and services that the Issuer provides in The Netherlands and the other regions in which the Issuer conducts large portions of its business. Such competition is affected by consumer demand, technological changes, and the impact of consolidation, regulatory actions and other factors. If the Issuer is unable to provide attractive product and service offerings that are profitable, it may lose market share or incur losses on some or all activities.

Regulatory changes could adversely affect the Issuer's business

The Issuer is subject to banking and financial services laws and government regulation in each of the jurisdictions in which it conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, and marketing and selling practices. Banking and financial services laws, regulations and policies currently governing the Issuer and its subsidiaries may change at any time in ways which have an adverse effect on the Issuer and its subsidiaries business. Furthermore, the Issuer cannot predict the timing or form of any future regulatory initiatives. Changes in existing banking and financial services laws and regulations may materially affect the way in which the Issuer conducts its business, the products or services the Issuer may offer and the value of its assets.

As a financial company, certain reform proposals under consideration could result in the Issuer becoming subject to stricter capital requirements and could also affect the scope, coverage, or calculation of capital, all of which could require the Issuer to reduce business levels or to raise capital, including in ways that may adversely impact the Issuer's creditors.

On 4 March 2011, the Dutch Ministry of Finance commenced a consultation process in relation to newly proposed banking legislation dealing with ailing banks (the "**Dutch Proposal**"). The Dutch Proposal was preceded by a consultation launched by the European Commission on 6 January 2011 on a comprehensive framework for dealing with ailing banks (the "**EU Proposal**") which contains a number of legislative proposals similar to the Dutch proposal. Under the Dutch Proposal, substantial new powers would be granted to DNB and the Dutch Minister of Finance enabling them to deal with, inter alia, ailing Dutch banks prior to insolvency. The Dutch Proposal aims to empower DNB or the Minister of Finance, as applicable, to commence proceedings leading to: (i) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser; (ii) transfer of all or part of the business of the relevant bank to a "bridge bank"; and (iii) public ownership (nationalisation) of the relevant bank. Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by DNB or the Minister of Finance, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

The EU Proposal includes a discussion of possible proposals to give regulators resolution powers to write down debt of an ailing bank (or to convert such debt into equity) to strengthen its financial position and allow it to continue as a going concern subject to appropriate restructuring. The working document states

that it is not envisaged to apply any measures ultimately adopted in this area to any debt currently in issue.

It is at this stage uncertain if the Dutch Proposal and/or the EU Proposal will be adopted and if so, when and in what form. However, if the Dutch Proposal and/or the EU Proposal were to be adopted in their current form, this could negatively affect the position of certain categories of a bank's bondholders and the credit rating attached to certain categories of debts instruments then outstanding. These measures could increase Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial condition and result of operation.

The Basel Committee on Banking Supervision (the "**Basel Committee**") has proposed a number of reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its paper released on 16 December 2010 and press release of 13 January 2011 (the "**Basel III Final Recommendations**").

The Basel III Final Recommendations state that, subject to the next paragraph below, the terms and conditions of all non-common equity Tier 1 and Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a specified trigger event (a "**Non-Viability Event**"). A Non-Viability Event will be the earlier of (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary as determined by the relevant authority; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, as determined by the relevant authority.

The 13 January 2011 press release also states that it is not necessary to include in the contractual terms of the instruments a specific provision for write-off or conversion of such instrument upon a Non-Viability Event occurring if (i) the governing jurisdiction of the bank has in place laws that (aa) require such instruments to be written off or converted upon the occurrence of such trigger event, or (bb) otherwise require such instrument to fully absorb losses before tax payers are exposed to loss; (ii) a peer group review confirms that the jurisdiction so conforms; and (iii) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under (aa) above.

It is possible that upon adoption of the Dutch Proposal or the EU Proposal any new powers which may be given to DNB or another relevant authority could be used in such a way as to result in the subordinated and/or senior debt instruments of the Issuer absorbing losses in the course of any resolution of the issuer. It is also possible that there could be amendments to the Dutch Proposal or the EU Proposal that could result in such subordinated and/or senior debt instruments of the Issuer absorbing losses in the course of any such resolution. The application of any such legislation may affect the rights and effective remedies of holders of subordinated and/or senior debt instruments as well as the market value of such debt instruments. These measures could increase Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial condition and result of operation.

Furthermore, there can be no assurance that, prior to the proposed implementation of the Basel III Final Recommendations from 1 January 2013, the Basel Committee will not amend the Basel III Final Recommendations. Further, the European Union and/or authorities in The Netherlands may implement the Basel III Final Recommendations, including the terms which subordinated debt instruments are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on Dutch banks.

The Issuer's business performance could be adversely affected if its capital is not managed effectively or if there are changes to capital adequacy and liquidity requirements

The Capital Requirements Directive ("**CRD**") came into force on 1 January 2007 and was introduced as a supervisory framework in the European Union, designed to ensure the financial soundness of credit institutions. The Directive reflects the Basel II rules on capital measurement and capital standards. Due to changes in the market, the European Commission revised the Capital Requirements Directives ("**CRD II**") in several respects. These changes came into effect with the introduction of CRD II on 1 January 2011 and later in time in the CRD III which is still under negotiation.

If implemented in The Netherlands, the Basel III Final Recommendations will result in an increase of 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). 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 within a range of 0 per cent. to 2.5 per cent. of common equity (or other fully loss absorbing capital) is to be applied as an extension of the conservation buffer. Furthermore, systemically important banks should have loss absorbing capacity beyond these standards.

These and other future changes to capital adequacy and liquidity requirements in the jurisdictions in which it operates may require the Issuer to raise additional Tier 1, Core Tier 1 and Tier 2 capital. If the Issuer is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to further reduce the amount of its risk-weighted assets and engage in the disposition of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Issuer.

Any change that limits the Issuer's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions, a growth in unfunded pension exposures or otherwise) or to access funding sources, could have a material adverse impact on its financial condition, regulatory capital position and liquidity provision.

There is operational risk associated with the Issuer's industry which, when realised, may have an adverse impact on its results

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Given the high volume of transactions at the Issuer certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, the Issuer's dependence upon automated systems to record and process its transactions volume may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. Although the Issuer maintains a system of controls designed to keep operational risk at appropriate levels the Issuer has suffered losses from operational risk and there can be no assurance that it will not suffer losses from operational risks in the future.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List.

The Issuer has counterparty risk exposure

The Issuer is subject to general credit risks, including credit risks on borrowers. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under swaps and other derivative contracts, agents and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

A downgrade of any of the Issuer's credit ratings may impact the Issuer's funding ability and have an adverse effect on the Issuer's financial condition

The Issuer is currently rated Baa3/P-3 by Moody's, BBB/F-3 by Fitch and BBB/A-2 by Standard & Poor's. A downgrade of any of the Issuer's ratings (for whatever reason) would result in higher funding and refinancing costs for the Issuer in the capital markets. In addition, a downgrade of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse affect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients.

These factors may have an adverse affect on the Issuer's financial condition and/or results of operations. A downgrade of the Issuer could result in a downgrade of the Instruments.

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

THE PURCHASE OF CERTAIN INSTRUMENTS MAY INVOLVE SUBSTANTIAL RISKS AND BE 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 INSTRUMENTS. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.

AN INVESTMENT IN INSTRUMENTS LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE INSTRUMENTS MAY BE LESS THAN THE NOMINAL AMOUNT OF THE INSTRUMENTS, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE INSTRUMENTS ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE INSTRUMENTS, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

The value of any Reference Item may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded. The price at which a holder of an Instrument will be able to sell Instruments prior to their maturity may be at a discount, which could be substantial, to the market value of the Instruments on the issue date, if, at such time the market price of the Reference Item(s) is below, equal to or sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of the Instruments.

Risks related to the structure of a particular issue of Instruments

Currency Linked Notes

Currency Linked Redemption Instruments may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Currency Linked Interest Instruments may be calculated by reference to the value of one or more Reference Item(s). Currency Linked Interest Instruments and Currency Linked Redemption Instruments are referred to herein as "**Currency Linked Instruments**" and Currency Linked Instruments may have features of both a Currency Linked Interest Instrument and a Currency Linked Redemption Instrument.

Dual Currency Instruments

The Issuer may issue Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated. Potential investors should be aware that: (i) the market price of such Instruments may be volatile; (ii) they may receive no interest; (iii) payment of principal or interest may occur at a different time or in a different currency than expected; (iv) they may lose all or a substantial portion of their principal.

Equity Linked Instruments

Equity Linked Redemption Instruments may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of the Reference Item(s) and/or by payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Equity Linked Redemption Instruments may bear similar market risks to a direct equity investment and investors should take advice accordingly. Interest payable on Equity Linked Interest Instruments may be calculated by reference to the value of one or more Reference Item(s). Equity Linked Interest Instruments and Equity Linked Redemption Instruments are referred to herein as "**Equity Linked Instruments**" and Equity Linked Instruments may have features of both an Equity Linked Interest Instrument and an Equity Linked Redemption Instrument.

Index Linked Instruments

Index Linked Redemption Instruments may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s), which may be a single index or a basket of indices or commodities. Interest payable on Index Linked Interest Instruments may be calculated by reference to the value of one or more Reference Item(s). The market value of the Instruments will be affected by a number of factors independent of the creditworthiness of the Issuer and the level of the Index, including, but not limited to, the volatility of the Index, the financial results and prospects of the companies the shares of which are comprising the Index, market interest, yield rates and the time remaining to the maturity date of the Instruments. In addition, the values of the Index depend on a number of interrelated factors, including economic, financial and political events and including factors affecting capital markets generally and the stock exchange(s) on which the shares comprising the Index are traded. The price at which a holder of an Instrument will be able to sell the Instruments prior to maturity may be at a discount, which could be substantial from the nominal amount thereof. The historical closing levels of the Index should not be taken as an indication for the Index's future performance during the term of the Instruments. Index Linked Interest Instruments and Index Linked Redemption Instruments are referred to herein as "**Index Linked Instruments**" and Index Linked Instruments may have features of both an Index Linked Interest Instrument and an Index Linked Redemption Instrument.

Credit Linked Instruments

In the event of (i) the occurrence of certain circumstances constituting a Credit Event (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to a Reference Entity or Reference Entities (in each case, as specified in the applicable Final Terms) and (ii) the delivery by the Calculation Agent to the Issuer of a Credit Event Notice or a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has resolved that such Credit Event has occurred, the redemption of the Notes may be accelerated and the payment of principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or to deliver Deliverable Obligations. In

addition, interest bearing Credit Linked Instruments may cease to bear interest on or prior to the date of occurrence of such circumstances. Accordingly, a holder of an Instrument will be exposed to the credit of the Reference Entities to the full extent of their investment in the Credit Linked Instruments.

The Issuer may issue Credit Linked Instruments linked to the performance of two or more Reference Entities where the redemption of the Notes may be accelerated and the payment of principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or to deliver Deliverable Obligations, in each case, in relation to the first Reference Entity in respect of which a Credit Event has occurred ("**First to Default Credit Linked Instruments**").

The Issuer may issue Credit Linked Instruments linked to the performance of a portfolio of Reference Entities where the amount of principal and interest (if any) payable by the Issuer pursuant to such Credit Linked Instruments is dependent on whether a Credit Event in respect of one or more Reference Entities has occurred ("**Basket Credit Linked Instruments**").

In each of the above cases, the Cash Settlement Amount (as specified in the applicable Final Terms or calculated in accordance with the Terms and Conditions of the Instruments, as the case may be) or the market value of such Deliverable Obligations is likely to be significantly less than the principal amount of the Credit Linked Instruments and may be zero.

The occurrence of a Credit Event may be determined by (i) the Calculation Agent or (ii) a Credit Derivatives Determination Committee established by ISDA for the purposes of making such a determination in accordance with the Credit Derivatives Determinations Committee Rules as published by ISDA. As a result, the occurrence of a Credit Event may be determined by persons unrelated to the Issuer or the Calculation Agent and, to this extent, the Issuer or the Calculation Agent may have no influence or control over such determination.

The Calculation Agent has the sole right but is under no obligation to deliver a Credit Event Notice.

Furthermore, the Calculation Agent (on behalf of the Issuer) may at its discretion choose to adjust the Terms and Conditions of any Credit Linked Instruments to reflect one or more provisions of any supplement or protocol published by ISDA providing for alternative settlement or valuation provisions in respect of credit derivative transactions. Such adjustments could include amending provisions in the Terms and Conditions relating to the Final Price, Maturity Date, Event Determination Date, Cash Settlement Date or Physical Delivery Date or an adjustment such that Cash Settlement rather than Physical Delivery should apply or vice versa.

The Calculation Agent (on behalf of the Issuer) may make such adjustments without regard to the interests of investors. In certain cases the return on the Instruments may be lower than if such adjustments had not been made.

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

Commodity Linked Instruments

Commodity Linked Instruments may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of the Reference Item(s) and/or by payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Commodity Linked Instruments may bear similar market risks to a direct investment in commodities and investors should take advice accordingly. Interest payable on Commodity Linked Instruments may be calculated by reference to the value of one or more Reference Item(s). The value of the Reference Item(s) may vary over time and may increase or decrease by reference to a variety of factors which may include: global supply and demand of commodities to which the Reference Item(s) refer, production and selling activities of the respective commodities by producers, central banks and international organisations, demand of end-products based on the respective commodity, net investment demand and industrial demand, net of recycling or substitution products for the respective commodities.

Additional Risk Factors or Risk Factors relating to other Instruments linked to one or more Reference Items

Additional risk factors in relation to issues of Currency Linked Instruments, Dual Currency Instruments, Equity Linked Instruments, Index Linked Instruments, Commodity Linked Instruments or Credit Linked Instruments or specific risk factors in relation to Instruments other than Currency Linked Instruments, Equity Linked Instruments, Index Linked Instruments, Commodity Linked Instruments or Credit Linked Instruments may be included in the applicable Final Terms.

For the avoidance of doubt, an Instrument may include a combination of any of the features described above in relation to types of Instruments or any other features as are more fully described in the applicable Final Terms. The descriptions of each type of Instrument as set out above are intended for general information and regard should be had in all cases to the applicable Final Terms in order to determine the exact terms of any Instrument.

Issues of Upper Tier 2 Subordinated Notes

Upper Tier 2 Notes are perpetual securities and have no maturity date. The Issuer is under no obligation to redeem Upper Tier 2 Notes at any time and the Holders have no right to call for their redemption. Upon the occurrence of certain specified tax events or if the Upper Tier 2 Notes have been issued with an optional redemption right for the Issuer, such Notes may be redeemed at their principal amount or such other amount as specified in the Final Terms.

The Issuer may at its discretion elect to defer any payment of interest of the Upper Tier 2 Notes for any period of time subject to suspension of payment on any class of share capital of the Issuer as more particularly described under Condition 2.2 of the Notes. If the Issuer makes this election, the arrears of interest shall not themselves bear interest and will become fully payable, *inter alia*, if the Issuer is dissolved, declared bankrupt or a moratorium is declared in respect of the Issuer, all as more particularly described under "*Terms and Conditions of the Notes – Deferral of Interest on Upper Tier 2 Notes*".

Any deferral of interest payments will likely have an adverse effect on the market price of Upper Tier 2 Notes. In addition, as a result of the interest deferral provision of the Upper Tier 2 Notes, the market price of the Upper Tier 2 Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Risks related to Instruments generally

Taxation

Potential purchasers and sellers of Instruments should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Instruments are transferred and/or the Reference Item(s) are delivered.

Potential purchasers should consult their own independent tax advisers about their tax position. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States of the European Union (the "**Member States**" and each a "**Member State**") are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

Also with effect from 1 July 2005, a number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the 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 a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

No Claim against any Reference Item

An Instrument will not represent a claim against any Reference Item and, in the event that the amount paid by the Issuer on redemption of the Instruments is less than the nominal amount of the Instruments, a holder of an Instrument will not have recourse under an Instrument to any Reference Item.

Disrupted Days

Where the Instruments are Index Linked Instruments or Equity Linked Instruments and Disrupted Day is specified as applying in the applicable Final Terms, the Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Instruments and/or may delay settlement in respect of the Instruments. Prospective purchasers should review the Terms and Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Instruments.

Settlement Risk

Where the Instruments provide for physical delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting. Any such determination may affect the value of the Instruments and/or may delay settlement in respect of the Instruments.

Subordinated Instruments

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

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 Instruments, 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 Instruments and which could be deemed to be adverse to the interests of the relevant holder of an Instrument.

Early Redemption upon Hedging Event

The Issuer will be entitled to redeem certain Instruments in whole but not in part upon the occurrence of any event or circumstance that would make it impossible or impracticable for the Issuer to enter or maintain any hedging arrangement that it deems necessary in respect of the Instruments, or that increases the Issuer's cost (as compared to the cost at the Issue Date) of entering into or maintain such hedging arrangement. Such an early redemption right of the Issuer could arise due to any reason, including but not limited to, any change in applicable law or regulation.

A new Regulation of the European Parliament and of the Council on derivative transactions, central counterparties and trade repositories is expected to enter into force in 2012. This regulation is expected to, *inter alia*, introduce a mandatory requirement to centrally clear certain specified types of derivative transaction and mandate certain risk mitigation requirements in respect of non-cleared trades. If such regulation or any other applicable law is implemented and has the effect of increasing the costs to the Issuer of its hedging arrangements or makes such arrangements impossible or impracticable in the opinion of the Issuer, an early redemption of the Instruments may occur.

Secondary Market

There can be no assurance as to how any Instruments will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list the Instruments on a stock exchange, as indicated in the applicable Final Terms. The fact that Instruments may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Instruments. If any Instruments are not traded on any stock exchange, pricing information for such Instruments may be more difficult to obtain, and the liquidity and market prices of such Instruments may be adversely affected. The liquidity of the Instruments may also be affected by restriction on offers and sales of the Instruments in some jurisdictions.

Market volatility

Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to any Instruments that may be issued under the Programme. Such general lack of liquidity may result in investors suffering losses on the Instruments in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict when these circumstances will change and if and when they do whether conditions of general market illiquidity for such Instruments and instruments similar to such Instruments will return in the future.

Market Value of Instruments

The market value of an issue of Instruments will be affected by a number of factors in addition to the creditworthiness of the Issuer, including, but not limited to:

- (i) the value and volatility of the Reference Item(s);
- (ii) in the case of Credit Linked Instruments, the creditworthiness of the specified entity or entities;
- (iii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iv) market interest and yield rates;
- (v) fluctuations in exchange rates;
- (vi) liquidity of the Instruments or any Reference Item(s) in the secondary market;
- (vii) the time remaining to any redemption date or the maturity date; and

- (viii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

The price at which a holder of an Instrument will be able to sell any Instruments prior to maturity may be at a discount, which could be substantial, to the market value of such Instruments on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Instruments.

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 holders of Instruments, including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Instruments.

The Issuer and any Dealer 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 Instruments and may or may not be publicly available to holders of Instruments. There is no obligation on the Issuer or any Dealer to disclose any such information to holders of Instruments.

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

Bearer Instruments where denominations involve integral multiples: definitive bearer Instruments

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

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

Suitability of Investment

This Offering Circular identifies in a general way, some of the information that a prospective investor should consider prior to making an investment in the Instruments. However, this Offering Circular does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Instruments. Therefore, a prospective investor should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in the Instruments. Any evaluation of whether an investment in the Instruments is suitable depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Instruments. This Offering Circular is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Instruments only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Instruments is suitable is a prospective investor's responsibility. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the prospective investor should consult with its financial, tax, legal or accounting adviser, prior to deciding to make an investment in the Instruments. The applicable Final Terms may contain additional information that a prospective investor should consider prior to making an investment in the Instruments.

Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering the suitability of such Instruments in light of their particular circumstances.

Additional Risk Factors in relation to the Capital Securities

The Issuer may defer payments on the Capital Securities for any period of time.

Unless a Mandatory Payment Event occurs, the Issuer may elect to defer payments on the Capital Securities for any period of time, subject to the suspension of payments on the Issuer's Junior Securities, Parity Securities, Junior Guarantees and Parity Guarantees. Any such deferred payments will not accrue interest unless and until they become due and payable under the Trust Deed and the Capital Securities and are not paid. See "*Conditions of the Capital Securities – Condition 4 (Optional Deferral of Interest)*".

The Capital Securities are perpetual securities, and investors will have no right to call for their redemption.

The Capital Securities are perpetual securities and have no fixed maturity date or redemption date. The Issuer is under no obligation to redeem the Capital Securities at any time and investors will have no right to call for their redemption.

The Issuer may redeem the Capital Securities at any time if certain adverse tax or regulatory events occur or in the event of the exercise of an Issuer call

Any redemption of the Capital Securities will be subject to the conditions described under "*Conditions of the Capital Securities – Condition 7 (Redemption and Purchase)*".

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Capital Securities or further preference shares which may effectively rank pari passu with the Capital Securities.

Subject only to the conditions described in "*Conditions of the Capital Securities – Condition 2 (Status and Subordination)*" there is no restriction on the amount of debt that the Issuer may issue, which ranks senior to the Capital Securities or on the amount of securities (including preference shares) that the Issuer may issue, which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's bankruptcy or may increase the likelihood of a deferral of payments on the Capital Securities. Any preference shares issued pursuant to the Alternative Coupon Satisfaction Mechanism will effectively rank *pari passu* with the Capital Securities.

The Issuer may defer payments that it is required to make pursuant to the Alternative Coupon Satisfaction Mechanism should the Issuer fail to have a sufficient number of Payment Securities available for issue.

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism and the Issuer has an insufficient number of Payment Securities available for issue, then the Issuer's payment obligation will be suspended to the extent of such insufficiency until such time as sufficient Payment Securities are available to satisfy all or part of the suspended payment obligation, as more fully described under "*Conditions of the Capital Securities – Condition 5.2 (Alternative Coupon Satisfaction Mechanism – Insufficiency of Payment Securities)*".

There are limitations on the remedies available to investors and the Trustee should the Issuer fail to pay amounts due on the Capital Securities.

The sole remedy against the Issuer available to the Trustee or any holder of a Capital Security ("**Securityholder**") for recovery of amounts owing in respect of the Capital Securities will be the institution of proceedings for the winding-up (*faillissementsprocedure*) of the Issuer and/or proving in such winding-up. See "*Conditions of the Capital Securities – Condition 9 (Non-Payment When Due)*".

Investors will be deemed to have waived all rights of set-off.

Subject to applicable law, investors may not exercise or claim any right of set-off in respect of any amount the Issuer owes the investors arising under or in connection the Capital Securities and investors

will be deemed to have waived all such rights of set-off. See "*Conditions of the Capital Securities – Condition 2.4 (Status and Subordination – No set off)*".

During the existence of a Supervisory Event, the terms of the Capital Securities will be automatically altered.

If a Supervisory Event occurs and is continuing, the terms of the Capital Securities will automatically alter without any action by the Securityholders. Following such alteration, a Mandatory Payment Event will be deemed to occur only if the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of ordinary shares) on its ordinary shares or other instruments which are classified as equity under IFRS-EU. See "*Conditions of the Capital Securities – Condition 6 (Supervisory Event)*".

OVERVIEW OF THE PROGRAMME

Words and expressions defined in "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Capital Securities*" below shall have the same meanings in this overview.

Issuer	NIBC Bank N.V.
Arranger	Morgan Stanley & Co International plc
Dealers	Banco Santander, S.A., Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, Goldman Sachs International, ING Bank N.V., J.P. Morgan Securities Ltd., Landesbank Baden-Wurtemberg, Merrill Lynch International, Morgan Stanley & Co. International plc, NIBC Bank N.V., The Royal Bank of Scotland plc, Société Générale and UBS Limited and any other dealer appointed from time to time by the Issuer.
Fiscal and Principal Paying Agent	Citibank, N.A. London. Additional agents may be appointed. The Issuer may act as fiscal and paying agent in respect of Instruments held by Euroclear Netherlands or otherwise in the clearing system under the Dutch Securities Book-Entry Transfer Act (<i>Wet giraal effectenverkeer</i>).

FURTHER ESSENTIAL CHARACTERISTICS OF THE INSTRUMENTS

Instruments	Instruments means Notes and Capital Securities.
Currencies	The Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory or central bank requirements. Instruments may, subject to compliance as aforesaid, be issued as multi-currency Instruments.
Redenomination	The applicable Final Terms may provide that certain Notes, may be redenominated in Euro pursuant to Condition 3 of the Terms and Conditions of the Notes.
Issue Price	The Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par as further described in the Final Terms.
Interest	Interest in respect of the Instruments may have a Fixed Rate or a Floating Rate, or may not bear interest (Zero Coupon), or may be calculated by reference to certain Reference Items (as defined above).
Denominations	The Instruments will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Instrument will be such amount 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 Specified Currency and save that the minimum denomination of each Instrument admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Instruments are denominated in a currency other than euro, the equivalent amount in such currency).
Enforcement of Notes in Global	In the case of Notes in global form, investors' rights will be supported by a Deed of Covenant dated on or around 10 June

Form	2011 (as supplemented and/or amended from time to time) a copy of which is available for inspection at the specified office of the Fiscal Agent and by their arrangements with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.
Capital Securities subject to Trust Deed	The Capital Securities are constituted by a Trust Deed entered into between the Issuer and Amsterdamsch Trustee's Kantoor B.V. Copies of the Trust Deed are available for inspection at the specified office of the Trustee and each of the Paying Agents.
Clearing Systems	The Instruments may be cleared through Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or The Depository Trust Company or any other clearing system as may be specified in the relevant Final Terms.
Optional Deferral of Interest	<p>The Issuer may at its option defer an interest payment on the Capital Securities if, since the last Coupon Payment Date on which interest was paid (or, in the case of the first Coupon Payment Date, the Issue Date) no Mandatory Payment Event has occurred on or before the 20th Business Day preceding the relevant Coupon Payment Date on which such interest payment, in the absence of deferral, would be due and payable. Any payment of any amounts so deferred will be required to be made in terms of the Alternative Coupon Satisfaction Mechanism.</p> <p>Interest on Tier 3 Notes will not be payable on the due date thereof if and to the extent that at the time, or as a result of such payment, the Issuer's actual shareholders' and other funds which qualify as actual own funds (<i>toetsingsvermogen</i>) under the Prudential Supervision Decree Wft (<i>Besluit prudentiele regels Wft</i>, the "Decree") of the Dutch Central Bank (<i>De Nederlandsche Bank N.V.</i>, the "DNB") ("Own Funds") would amount to less than 100 per cent. of the Issuer's total required amount of Own Funds under the Decree issued from time to time by the DNB. Any interest in respect of Tier 3 Notes not paid on a date which such interest would otherwise be payable will be paid by the Issuer if and to the extent that the Issuer will meet the solvency test referred to in the previous sentence as well as in the other instances described in Condition 4(j).</p> <p>The Issuer may at its discretion elect to defer any payment of interest of the Upper Tier 2 Notes for any period of time subject to suspension of payment on any class of share capital of the Issuer. If the Issuer makes this election, the arrears of interest shall not themselves bear interest and will become fully payable, <i>inter alia</i>, if the Issuer is dissolved, declared bankrupt or a moratorium is declared in respect of the Issuer, all as more particularly described in Condition 4(k).</p>
Early Redemption	The applicable Final Terms will indicate either that the relevant Instruments cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons, or following an Event of Default or, as may be stated in the Final Terms, following certain corporate events as described herein) or that such Instruments will be redeemable at the option of the Issuer and/or in the case of Notes only, the holders of such Notes, upon giving notice to the holders of such Instruments or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer

and the relevant Dealer.

The applicable Final Terms may provide that Instruments may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

The Capital Securities will constitute Tier 1 Capital for the purposes of the DNB's capital adequacy regulation of the Issuer. In addition to the above circumstances, if at any time, the DNB gives notice to the Issuer to the effect that the Capital Securities may not be included in the consolidated Tier 1 Capital of the Issuer, other than through exceeding Tier 1 limits, the Issuer may redeem the Capital Securities at the early redemption date for the principal amount per Capital Security together with Deferred Coupons and all other amounts outstanding.

Substitution of the Issuer

The Issuer is entitled, subject to the Terms and Conditions of the Instruments, to substitute any other company as principal debtor in respect of all obligations arising from or in connection with any Series of Instruments. Upon a substitution of the issuer, the Issuer will give notice to the holders of the Instruments in accordance with the Terms and Conditions of the Instruments and prepare a supplement to this Offering Circular.

CHARACTERISTICS COMMONLY APPLICABLE TO TYPES OF INSTRUMENTS LINKED TO CERTAIN REFERENCE ITEMS

**Equity Linked Instruments,
Commodity Linked Instruments
and Index Linked Instruments**

Payments of interest and/or the amount paid to redeem the Instrument at Maturity (the "**Redemption Amount(s)**") in respect of Equity Linked Instruments, Commodity Linked Instruments and Index Linked Instruments will be calculated (i) by reference to a single equity security or a basket of equity securities or commodities or (ii) by reference to a single index or a basket of indices or (iii) by reference to a commodity or basket of commodities and/or (iv) such formula as may be specified by the Issuer and the relevant Dealer in the applicable Final Terms.

Currency Linked Instruments

Payments of interest and/or Redemption Amounts in respect of Currency Linked Instruments will be made in such currencies, and by reference to such rates of exchange and/or such formulae as may be specified by the Issuer and the relevant Dealer in the applicable Final Terms.

Credit Linked Instruments

Payments of interest and/or Redemption Amounts in respect of Credit Linked Instruments will be calculated with reference to the credit of a specified entity or entities, as may be specified by the Issuer and the relevant Dealer in the applicable Final Terms.

Dual Currency Instruments

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Instruments will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Instruments

Zero Coupon Instruments will be issued at a discount to their nominal amount and will not bear interest.

**Other Instruments Linked to
Reference Items**

Instruments with respect to which payments of interest and/or Redemption Amounts are linked or relate to other Reference Item(s) may be issued on such terms as may be specified by the

Issuer and the relevant Dealer in the applicable Final Terms.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes (the "**Terms and Conditions**") which (subject to completion and possible minor amendment by the relevant Final Terms) will be applicable to each Series of Notes, **provided that** the relevant Final Terms in relation to any Series of Notes may specify certain definitions to be applicable as are more fully set out in the relevant definitional booklets published by the International Swaps and Derivatives Association ("**ISDA**") (for example, the 2006 ISDA Definitions, the 2003 ISDA Credit Derivatives Definitions, 2002 ISDA Equity Derivatives Definition, 2005 ISDA Commodity Derivatives Definitions, 1998 ISDA FX and Currency Option Definitions), and/or other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Series of Notes.*

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

The Notes are issued in accordance with an amended and restated fiscal agency agreement (the "**Fiscal Agency Agreement**", which expression shall include any amendments or supplements thereto) dated 10 June 2011 and made between NIBC Bank N.V. (the "**Issuer**"), Citibank, N.A. in its capacities as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor to Citibank, N.A. in its capacity as such) and as principal registrar (the "**Principal Registrar**", which expression shall include any successor to Citibank, N.A. in its capacity as such), Citibank, N.A. in its capacity as alternative registrar (the "**Alternative Registrar**", which expression shall include any successor to Citibank, N.A. in its capacity as such) and the paying agents named therein (the "**Paying Agents**", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement). Copies of the Fiscal Agency Agreement and the Deed of Covenant (referred to below) are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar and the Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of all of the provisions of, the Fiscal Agency Agreement insofar as they relate to the relevant Notes.

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

A Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Equity Linked Interest Note, an Equity Linked Redemption Note, a Currency Linked Interest Note, a Currency Linked Redemption Note, a Dual Currency Note, a Commodity Linked Interest Note, a Commodity Linked Redemption Note, an Instalment Note, a Credit Linked Note or a combination of any of the foregoing, or may be linked to any other reference item depending upon the Interest Basis and Redemption/Payment Basis selected and as more fully described in the applicable Final Terms. For the purposes of these Terms and Conditions, the term "**Reference Item**" may mean any underlying equity security, index, commodity, currency, entity, debt security or other item(s) howsoever described in the applicable Final Terms (each a "**Reference Item**") to which the payment of interest or repayment of principal may be linked.

Bearer Notes are issued with Coupons and, if specified in the applicable Final Terms, a talon ("**Talon**") and, if applicable, Receipts attached, unless they are Zero Coupon Notes or non interest bearing Notes in which case references to Coupons, Talons and Couponholders in these Terms and Conditions are not applicable.

Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the address of the relevant Dealer and copies may be obtained from the same, save that, if the relevant Notes are neither 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 applicable Final Terms will

only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Fiscal Agent or, as the case may be, and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Fiscal Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

FORM OF THE NOTES

Form of Bearer Notes

Notes issued in bearer form ("**Bearer Notes**") will be represented upon issue by a temporary global Note (a "**Temporary Global Note**") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. On or after the date (the "**Exchange Date**") which is 40 days after the completion of the distribution of the Notes of the relevant Series and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note) has been received, interests in the Temporary Global Note may be exchanged for:

- (a) interests in a permanent global note (a "**Permanent Global Note**") representing the Notes of that Series and in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement, which in either case will:
 - (i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); and
 - (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to (a) a common depositary (the "**Common Depositary**") for, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or (b) Euroclear Netherlands; or
- (b) if so specified in the relevant Final Terms, definitive notes ("**Definitive Notes**") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement.

If any date on which a payment of interest is due on the Notes of a Series occurs whilst any of the Notes of that Series are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note) has been received by Euroclear or Clearstream Luxembourg or any other relevant clearing system. Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg or any other relevant clearing system (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

Interests in a Permanent Global Note will, if so specified in the relevant Final Terms, be exchangeable in whole (but not in part only), at the option of the holder of such Permanent Global Note, for Definitive Notes. In order to exercise such option the holder of such Permanent Global Note must, not less than 45 days before the date on which delivery of Definitive Notes is required, deposit the relevant Permanent Global Note with the Fiscal Agent with the form of exchange notice endorsed thereon duly completed. Interests in a Permanent Global Note will, in any event, be exchangeable for Definitive Notes if any Note of the relevant Series becomes due and repayable following an Event of Default or if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system should be closed for business for a continuous period of 14 days (other than by reason of public holidays) or should announce an intention permanently to cease business (each an "**Exchange Event**"). If default is made by the Issuer in the

required delivery of Definitive Notes and such default is continuing at 5.00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires or such Permanent Global Note becomes so exchangeable, such Permanent Global Note will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear and Clearstream, Luxembourg or any other relevant clearing system in relation thereto under a deed of covenant dated on or around 10 June 2011 and executed and delivered by the Issuer in relation to the Notes (the "**Deed of Covenant**" which expression shall include any amendments or supplements thereto). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Interest bearing Definitive Notes will, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest bearing Definitive Notes will also, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so permits, include Talons.

Notes, amounts in respect of which (other than interest) are repayable by instalments ("**Instalment Notes**"), which are Definitive Notes, will have endorsed thereon a grid for recording the repayment of principal.

Form of Registered Notes

Notes issued in registered form ("**Registered Notes**") will be in the form of individual note certificates in registered form ("**Individual Note Certificates**") or a global note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

Each Individual Note Certificate or Global Registered Note, as applicable, will be in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement. Registered Notes will not be exchangeable for Bearer Notes. Notes purchased in a private placement in the United States will be Registered Notes.

Registered Notes denominated in United States Dollars ("**USD**" or "**U.S. dollars**") will, if so specified in the relevant Final Terms, be the subject of an application by the Issuer to The Depository Trust Company ("**DTC**") for the acceptance of such Registered Notes into DTC's book entry settlement system. If such application is accepted, one or more Registered Notes (each a "**DTC Note**") in denominations equivalent in aggregate to the aggregate nominal amount of the relevant Registered Notes which are to be held in such system will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose, as nominee for DTC **provided that** no DTC Note may have a denomination of more than USD 400,000,000 and that, subject to such restriction, DTC Notes will always be issued in the largest possible denomination. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC Note.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depository and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 5 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar (as defined below) of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment, then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Clearing System Accountholders and Nominees

In relation to any Tranche of Notes represented by a Temporary Global Note or Permanent Global Note in bearer form (each a "**Global Note**"), references in the Terms and Conditions of the Notes to the "holders of Bearer Notes" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary or, in the case of an NGN, a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes are references to the person in whose name such Global Registered Note is for

the time being registered in the relevant register which, for so long as the Global Registered Note is held by or on behalf of a depository or a common depository or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository or common depository or common safekeeper or a nominee for that depository or common depository or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Each person having a beneficial interest in a DTC Note must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Notes are traded through DTC's book entry settlement system, ownership of beneficial interest in the relevant DTC Note will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (a) DTC or its registered nominee (as to Participant interests) or (b) institutions having accounts with DTC.

General Definitions

In these Terms and Conditions:

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"**Business Day**" means a day on which commercial banks and foreign exchange markets are open in London and Amsterdam and such other places and/or days as specified in the relevant Final Terms.

"**Couponholders**" means the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

"**EURIBOR**" means the Euro zone inter bank offered rate.

"**Intervening Period**" means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

"**LIBOR**" means the London inter bank offered rate.

"**Noteholders**" or "**holders**" in relation to any Notes means the holders of the Notes.

1. FORM, DENOMINATION, TITLE AND TRANSFER

1.1 Form, denomination

Notes are issued in bearer form or in registered form, as specified in the relevant Final Terms. Bearer Notes are serially numbered. The minimum denomination of each Note shall be at least Euro 1,000.

1.2 Title, transfer

Title to Bearer Notes and Coupons passes by delivery. References herein to the "**holders of Bearer Notes**" or of Coupons are to the bearers of such Bearer Notes or such Coupons.

Title to Registered Notes passes by registration in the register which is kept by the Principal Registrar or the Alternative Registrar, as specified in the relevant Final Terms. For the purposes of these Terms and Conditions, "**Registrar**" means, in relation to any Series of Registered Notes, the Principal Registrar or the Alternative Registrar. References herein to the "**holders of Registered Notes**" are to the persons in whose names such Registered Notes are so registered in the relevant register.

The holder of any Bearer Note or Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such holder.

A Registered Note may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (**provided that** such part is, or is an integral multiple of, the minimum denomination specified in the relevant Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

Each new Registered Note to be issued upon the transfer of a Registered Note will, within three London, or Amsterdam or, as the case may be, New York Banking Days of the effective receipt of such form of transfer by the Registrar at its specified office, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer received by the Registrar during the period of fifteen London or Amsterdam or, as the case may be, New York Banking Days ending on the due date for any payment on the relevant Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of these Terms and Conditions, "**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and "**Amsterdam Banking Day**" and "**New York Banking Day**" have the same meanings *mutatis mutandis*.

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such Indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

Upon the transfer, exchange or replacement of Registered Notes of any Series bearing the private placement legend (the "**Private Placement Legend**") set forth in the form of Registered Note scheduled to the Fiscal Agency Agreement, the Registrar shall deliver only Registered Notes of such Series that also bear such legend unless either (i) such transfer, exchange or replacement occurs three or more years after the later of (1) the original issue date of Notes of such Series or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Note (or any predecessor of such Note) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its "**affiliates**" (as defined in paragraph (a)(1) of Rule 144 under the Securities Act) not to acquire any beneficial interest, in any Registered Note bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all holders of Registered Notes shall be entitled to rely without further investigation on any such notification (or lack thereof).

For so long as any of the Registered Notes bearing the Private Placement Legend remain outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the

Securities Act and the relevant Final Terms specifies that such Notes will be eligible for resale in the United States or to U.S. persons under Rule 144A under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any holder of such Registered Notes in connection with any sale thereof and any prospective purchaser of such Notes from such holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

2. STATUS OF THE NOTES AND NEGATIVE PLEDGE

2.1 Status of Unsubordinated Notes

This Condition 2.1 is applicable in relation to Notes specified in the Final Terms as being unsubordinated or not specified as being unsubordinated or subordinated ("**Unsubordinated Notes**").

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2.3) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, present and future (save for certain exemptions provided by law).

2.2 Status of Subordinated Notes

This Condition 2.2 is applicable in relation to Notes specified in the Final Terms as being subordinated ("**Subordinated Notes**").

The Subordinated Notes are direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves and equally with all other present and future unsecured Subordinated Indebtedness (as defined below) of the Issuer (other than those preferred by mandatory provisions of law).

In the event of the dissolution (*ontbinding*) of the Issuer or if the Issuer is declared bankrupt (*failliet*) or if a situation which requires special measures (*bijzondere voorzieningen*) in the interest of all creditors as referred to in Chapter 3.5.5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*, the "**Wft**") is declared in respect of the Issuer, then and in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below), to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for set off (*verrekening*) or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until (i) all other indebtedness of the Issuer which is admissible in any such dissolution (*ontbinding*), bankruptcy (*faillissement*) or special measures (*bijzondere voorzieningen*) (other than Subordinated Indebtedness) has been paid or discharged in full and (ii) The Netherlands Central Bank (*De Nederlandsche Bank N.V.*, the "**DNB**") has given its written approval.

"**Subordinated Indebtedness**" means any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution of the Issuer or if the Issuer is declared bankrupt or if a situation which requires special measures (*bijzondere voorzieningen*) in the interest of all creditors as referred to in Chapter 3.5.5 of the Wft is declared in respect of the Issuer.

For the purposes of the Prudential Supervision Decree Wft (*Besluit prudentiële regels Wft*, the "**Decree**") of the DNB to which the Issuer is subject, the Subordinated Notes of this Series will qualify as either tier 2 capital ("**Tier 2 Notes**") or tier 3 capital ("**Tier 3 Notes**"), as referred to in the Decree and as specified in the applicable Final Terms. The Tier 2 Notes and the Tier 3 Notes rank *pari passu* among themselves.

Tier 2 Notes consist of Subordinated Notes and may qualify as either upper tier 2 Notes ("**Upper Tier 2 Notes**" or "*hoger aanvullend kapitaal*"), as defined in article 92(2) of the Decree, or lower tier 2 Notes ("**Lower Tier 2 Notes**" or "*lager aanvullend kapitaal*"), as defined in article 92(3) of the Decree, as specified in the applicable Final Terms.

Upper Tier 2 Notes are perpetual securities and have no maturity date. Lower Tier 2 Notes include subordinated Notes with a minimum original maturity of five years and a day. The Issuer has the right to defer interest payments in respect of Upper Tier 2 Notes but not Lower Tier 2 Notes. Tier 2 Notes may only be redeemed at the option of the Issuer with the prior approval of the DNB.

Tier 3 Notes consist of Subordinated Notes, (i) in respect whereof the Issuer has the right to defer interest payments (ii) which have an original maturity of at least two years and (iii) are not repayable before the agreed repayment date without the prior approval of the DNB.

2.3 **Negative Pledge**

This Condition 2.3 applies only to Unsubordinated Notes.

So long as any of the Unsubordinated Notes remain outstanding, the Issuer may not create or have outstanding any mortgage, pledge or other charge upon the whole or any part of the present or future revenues or assets of the Issuer to secure any Obligation without at the same time according to such Unsubordinated Notes either, (i) the same security as is granted to or is outstanding in respect of such Obligation or (ii) such other security as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the holders of the Unsubordinated Notes.

For the purpose of these Terms and Conditions, (a) "**Obligation**" means any present or future indebtedness represented by bonds or other securities of a type ordinarily dealt in on any stock exchange or other securities market, or any guarantee thereof, which have an original maturity of more than 24 months and (b) "**outstanding**" shall have the meaning attributed to it in the Fiscal Agency Agreement.

3. **REDENOMINATION**

(a) ***Redenomination***

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders or Couponholders, on giving prior notice to the Paying Agents, Euroclear and Clearstream, Luxembourg and/or as the case may be, the Registrar, and at least 30 days' prior notice to the Holders in accordance with Condition 18, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the Established Rate, **provided that**, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed, the Paying Agents and, as the case may be, the Registrar of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by

the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Fiscal Agent may approve) euro 0.01 and such other denominations as the Fiscal Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro denominated Notes and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (a) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes; and
 - (b) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

- (vii) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(b) ***Definitions***

For the purposes of this Condition 3, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the Treaty;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

4. **INTEREST**

Notes may be interest bearing or non interest bearing, as specified in the relevant Final Terms.

(a) ***Definitions in respect of calculations and payment of Interest Amounts***

For the purposes of calculating the amount of interest due in relation to a Note (and for the purposes of interpretation in the event that the following definitions are used in any other context in any Final Terms and are not otherwise defined):

"Business Day Convention " means:

(i) if **"FRN Convention"**, is specified in the applicable Final Terms, that interest shall be payable in arrear on each date which numerically corresponds to the date of issue of the Notes or such other date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred **provided that:**

- (A) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day in that calendar month;
- (B) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred; or

- (ii) if the "**Modified Following Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day that is a Business Day; or
- (iii) if the "**Following Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day that is a Business Day; or
- (iv) if the "**Preceding Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first preceding day that is a Business Day; or
- (v) such other convention as may be specified in the relevant Final Terms.

"**Calculation Agent**" means the Calculation Agent as specified in the applicable Final Terms.

"**Day Count Fraction**" means that interest in respect of a period of less than one year shall be calculated:

- (i) if "**Actual/Actual (ICMA)**" is specified in the relevant Final Terms:
 - (A) where the relevant Interest Period in relation to which interest is to be calculated is equal to or shorter than the next Regular Period (or the preceding Regular Period in the case of (a) the Final Interest Period or (b) an Interest Period after which the following Interest Periods are specified in the relevant Final Terms to be of a different length of time), the actual number of days in the Interest Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) where the Interest Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Interest Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (2) the actual number of days in such Interest Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non leap year divided by 365);

- (iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(viii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(ix) in such other way as the relevant Final Terms may specify.

"**Interest Calculation Amount**" shall mean the amount specified as such in the relevant Final Terms;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Payment Date**" means the date specified in the relevant Final Terms, as may be amended by the terms of such Final Terms in accordance with a Business Day Convention;

"**Interest Period**" means each period from, and including, one Period End Date to, but excluding, the next following applicable Period End Date except that (a) the initial Interest Period will commence on, and include, the Interest Commencement Date and (b) the final Interest Period will end on, but exclude, the Maturity Date of the relevant Notes;

"**Margin**" shall mean the amount or percentage, as the case may be, specified as such in the relevant Final Terms;

"**Period End Dates**" each date specified in the relevant Final Terms as such, **provided that** if no Period End Dates are so specified, each Interest Payment Date;

"Regular Period" means an Interest Period, **provided that** for the purposes of determining the Regular Period, the first and the last Interest Periods shall be disregarded;

"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, one cent.

(b) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest 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 Maturity Date.

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

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(c) ***Interest on Floating Rate Notes***

Floating Rate Notes shall bear interest from their Interest Commencement Date at the rate or rates per annum specified in the relevant Final Terms. Such interest will be payable calculated by the Calculation Agent and on the dates specified in the relevant Final Terms (the "**Determination Date**" or, if not so specified as calculated by the Calculation Agent promptly before the Interest Payment Date) and will be payable in arrear on such dates as are specified in the relevant Final Terms and on the date of final maturity of the Notes. Unless the Final Terms provide otherwise, the amount of interest payable on any Interest Payment Date (the "**Interest Amount**") will be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency,

half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The rate of interest (the "**Rate of Interest**") applicable to such Notes for each Interest Period shall be determined by the Calculation Agent on the following basis:

- (A) If "**Screen Rate Determination**" is specified to be applicable in the relevant Final Terms:
- I. The Final Terms shall specify which page (the "**Relevant Screen Page**") on the Reuters Screen or any other information vending service shall be applicable. For these purposes, "**Reuters Screen**" means Reuters Markets 3000;
 - II. the Calculation Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits (rounded, if necessary, to the ten thousandth of a percentage point, five one hundred thousandth being rounded upwards)) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) on the second London Banking Day (or in the case of Notes denominated in Euro as of 11.00 a.m. (Amsterdam time) on the second TARGET Business Day (being a day on which the Trans European Automated Real Time Gross Settlement Express Transfer "**TARGET 2**" System is open) before (or, in the case of Notes denominated in Pounds Sterling, on) the first day of the relevant Interest Period or such other date as may be specified in the applicable Final Terms (the "**Rate Determination Date**");
 - III. if, on any Rate Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (in the case of LIBOR) or the Euro zone (as defined below) interbank market (in the case of EURIBOR) (rounded as aforesaid), selected by the Calculation Agent, at approximately 11.00 a.m. (London time) (in the case of LIBOR) or 11.00 a.m. (Amsterdam time) (in the case of EURIBOR) on the Rate Determination Date, to prime banks in the London interbank market (in the case of LIBOR) or the Euro zone interbank market (in the case of EURIBOR) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
 - IV. if, on any Rate Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; and
 - V. if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean of the rates quoted by four major banks in the financial centre in which the relevant currency originates (for the purposes of the euro, this will mean any financial centre of a Member State of the European Union that has adopted the Euro in accordance with the Treaty), selected by the Calculation Agent, at approximately 11.00 a.m. in such financial centre on the first day of the relevant

Interest Period for loans to leading European banks in the relevant currency for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

provided that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean (rounded as aforesaid)) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Notes in respect of the last preceding Interest Period, **provided always that** if there is specified in the relevant Final Terms a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed it.

As used herein "**Euro zone**" means the zone comprising the Member States of the European Union which have adopted the Euro as their lawful currency in accordance with the Treaty on the Functioning of the European Union.

If "ISDA Determination" is specified to be applicable in the relevant Final Terms, the relevant Final Terms will specify a "Floating Rate Option", a "Designated Maturity" and a "Reset Date" and the Calculation Agent will calculate the Rate of Interest in accordance with the provisions of the 2006 ISDA Definitions.

If such other method for the determination of the Rate of Interest is specified in the applicable Final Terms, in accordance with such terms.

If the applicable Final Terms specifies 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 manner specified in the applicable Final Terms 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 applicable Final Terms specifies 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 manner specified in the applicable Pricing is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Interest on Index Linked, Equity Linked, Commodity Linked, Credit Linked and Currency Linked Interest Notes***

Index, Equity, Commodity, Credit, Currency Linked Interest Notes and any other type of Notes, the interest payable in respect of which is linked to one or more Reference Items, shall bear interest from their Interest Commencement Date in accordance with the formula and at the rate or rates per annum as may be specified in the relevant Final Terms. Such interest will be payable calculated by the Calculation Agent and on the dates specified in the relevant Final Terms (the "**Determination Date**" or, if not so specified as calculated by the Calculation Agent promptly before the Interest Payment Date) and will be payable in arrear on such dates as are specified in the relevant Final Terms and on the date of final maturity of the Notes. The amount of interest payable on any Interest Payment Date (the "**Interest Amount**") will be calculated in accordance with the terms of the relevant Final Terms.

(e) ***Additional Provisions related to the Interest Amount***

(i) ***Minimum Interest Amount and/or Maximum Interest Amount***

If the applicable Final Terms specify a Minimum Interest Amount for any Interest Period, then, in the event that the Interest Amount in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is less than such Minimum Interest Amount, the Interest Amount for such Interest Period shall be such Minimum Interest Amount.

If the applicable Final Terms specifies a Maximum Interest Amount for any Interest Period, then, in the event that the Interest Amount in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is greater than such Maximum Interest Amount, the Interest Amount for such Interest Period shall be such Maximum Interest Amount.

(ii) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest or the Interest Amount is to be determined, determine the Rate of Interest or the Interest Amount for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes, in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated in accordance with the terms above, or as otherwise specified in the relevant Final Terms.

(iii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions, whether by the Calculation Agent or any other person performing such duties as may be assigned to them from time to time pursuant to these Terms and Conditions and any applicable Final Terms, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(f) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as set out in Condition 4(b), 4(c) or 4(d) above as applicable on the paid up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(g) *Accrual of interest*

Subject to Condition 4(m) below in respect of Credit Linked Notes, each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless 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 Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 18,

provided that in respect to any Note(s) identified in the applicable Final Terms as a Credit Linked Note; and to which:

(A) "**Accrual of Interest until Credit Event**" is specified as Not Applicable in the relevant Final Terms:

- (1) each Note shall cease to bear interest from the Interest Payment Date (or, if none, the Interest Commencement Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date (or, as the case may be, the Interest Commencement Date) such Interest Payment Date (or, as the case may be, the Interest Commencement Date);
- (2) if a Credit Event Resolution Request Date in respect of a Credit Event has been announced by ISDA on or prior to any Interest Payment Date and a DC Resolution has not been published in respect of such Credit Event as of such Interest Payment Date, then the payment of interest to the Noteholders on or about such Interest Payment Date shall be suspended until either: (x) the relevant DC Credit Event Announcement is made and the Calculation Agent determines that the related Credit Event Determination Date is a date falling prior to such Interest Payment Date in which case no payment of the suspended interest will be made or (y) the relevant DC Credit Event Announcement is made but the Calculation Agent determines that the related Credit Event Determination Date is a date falling after such Interest Payment Date or (z) a DC No Credit Event Announcement is made, in which case payment of the suspended interest shall be made three (3) Business Days after the date of such DC Credit Event Announcement or DC No Credit Event Announcement (as the case may be); and
- (3) for the avoidance of doubt, no additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest; and
- (4) the Calculation Agent shall endeavour to give notice to the Noteholders in accordance with Condition 18 as soon as reasonably practicable should any payment of interest be suspended and/or postponed.

If an amount of Interest is paid in respect of an Interest Payment Date in circumstances where such Interest Amount is not due because of the operation of this Condition (an "**Overpayment**"), the Issuer shall deduct an aggregate amount from the following Interest Amount and/or principal amounts due in respect of the Credit Linked Notes equal to such Overpayment; or

(B) "**Accrual of Interest until Credit Event**" is specified as being Applicable in the relevant Final Terms, each Note shall cease to bear interest from the Credit Event Determination Date provided that:

- (1) if a Credit Event Resolution Request Date in respect of a Credit Event has been announced by ISDA on or prior to any Interest Payment Date and a DC Resolution has not been published in respect of such Credit Event as of such Interest Payment Date, then the payment of interest to the Noteholders on or about such Interest Payment Date shall be suspended until either (x) a DC Credit Event Announcement is made or (y) a DC No Credit

Event Announcement is made in which case payment of the suspended interest (and interest accrued (if any)) up to the Credit Event Determination Date where there has been a DC Credit Event Announcement) shall be made three (3) Business Days after the date of such DC Credit Event Announcement or DC No Credit Event Announcement (as the case may be); and

- (2) for the avoidance of doubt, no additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest; and
- (3) the Calculation Agent shall endeavour to give notice to the Noteholders in accordance with Condition 18 as soon as reasonably practicable should any payment of interest be suspended and/or postponed.

If an Overpayment is made, the Issuer shall deduct an aggregate amount from the following Interest Amounts and/or principal amounts due in respect of the Credit Linked Notes equal to such Overpayment; and

provided further that, if

- (C) Condition 13.5 (*Repudiation/Moratorium Extension*) or Condition 13.6 (*Grace Period Extension*) applies in respect of the Notes and a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (D) Condition 13.7 (*Maturity Date Extension*) applies in respect of the Notes and the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein; and/or
- (E) Condition 13.8 (*Credit Derivatives Determinations Committee Extension*) applies in respect of the Notes and the Scheduled Maturity Date is postponed as provided therein, then interest will accrue as provided in Condition 13.5 (*Repudiation/Moratorium Extension*), Condition 13.6 (*Grace Period Extension*), Condition 13.7 (*Maturity Date Extension*) or Condition 13.8 (*Credit Derivatives Determinations Committee*) as the case may be, and

provided further that, interest may accrue on Notes in accordance with any other provisions as specified in these Terms and Conditions or in the applicable Final Terms with respect to the accrual of interest on such Notes.

(h) ***Interest based on Other Rates***

Notes may be issued which bear interest at rates per annum that differ from those referred to in this Condition 4. In such cases, interest will accrue in the manner set out in the relevant Final Terms.

(i) ***Interest Supplemental Provision***

This Condition shall be applicable (as appropriate) in relation to all Notes which are interest bearing.

The Calculation Agent will cause each Rate of Interest, Interest Payment Date, final day of an Interest Period, Interest Amount, or any other item related to the calculation of interest, as the case may be, determined or calculated by it to be notified to the Fiscal

Agent who will cause them to be notified to the Issuer, the other Paying Agents and, in the case of Registered Notes, the Registrar (from whose respective specified offices such information will be available) and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, as soon as practicable after such determination or calculation has been notified to it but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the fourth London Business Day after such notification has been received. The Calculation Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or last day of an Interest Period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or Regular Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this Condition 4, "**London Business Day**" shall mean any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

The determination by the Calculation Agent of all items falling to be determined by it shall, in the absence of wilful default, bad faith or manifest error, be final and binding on all parties.

(j) ***Deferral of Interest on Tier 3 Notes***

Interest on Tier 3 Notes will not be payable on the due date thereof if and to the extent that at the time, or as a result of such payment, the Issuer's actual Own Funds (as defined below) would amount to less than 100 per cent. of the Issuer's total required amount of Own Funds under the Decree issued from time to time by the DNB. In the event that any interest on Tier 3 Notes is not payable on the due date thereof, the Issuer will give notice thereof to the Fiscal Agent and the Noteholders in accordance with Condition 18 as far in advance of the relevant date on which such interest would otherwise have been payable as is possible in the circumstances. Any interest in respect of Tier 3 Notes not paid on a date on which such interest would otherwise be payable will be paid by the Issuer if and to the extent that the Issuer will meet the solvency test referred to in the previous sentence. Any arrears of interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a situation which requires special measures (*bijzondere voorzieningen*) in the interest of all creditors as referred to in Chapter 3.5.5 of the Wft is declared in respect of the Issuer. Where any amount of interest is paid in part, each part payment shall be made *pro rata* to the holder of a Tier 3 Note and shall be in respect of the interest accrued furthest from the date of payment. Any arrears of interest shall not themselves bear interest.

"**Own Funds**" means the amount of shareholders' and other funds which qualify as actual own funds (*toetsingsvermogen*) under the Decree (as amended from time to time) of the DNB.

(k) ***Deferral of Interest on Upper Tier 2 Notes***

Interest on the Upper Tier 2 Notes is (subject to Condition 2 and the Issuer being solvent immediately before and after payment) payable on each Compulsory Interest Payment Date (as defined below) in respect of the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid the interest in respect of the Upper Tier 2 Notes accrued in the Interest Period ending on the day immediately preceding such date, but the Issuer shall not be obliged to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. In the event that any interest on Upper Tier 2 Notes is not payable on the relevant Optional Interest Payment Date, the Issuer will give notice thereof to the Fiscal Agent and the Noteholders in accordance with Condition 18 as far in advance of the relevant Optional Interest Payment Date on which such interest would

otherwise have been payable as is possible in the circumstances. Any interest in respect of the Upper Tier 2 Notes not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date, shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". All Arrears of Interest in respect of all Upper Tier 2 Notes for the time being outstanding shall become due in full on, and only on, whichever is the earliest of:

- (i) the date upon which a dividend is next made available for payment on any class of share capital of the Issuer; or
- (ii) the date fixed for any redemption of the Upper Tier 2 Notes pursuant to Condition 8.3; or
- (iii) the date on which the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Chapter 3.5.5 of the Wft; or
- (iv) the date on which an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Upper Tier 2 Notes.

If notice is given by the Issuer of its intention to pay the whole or any part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiry of such notice. Where Arrears of Interest are paid in part, each part payment shall be made *pro rata* to the Tier 2 Noteholders and shall be deemed to be in respect of the full amount of the Arrears of Interest accrued due to the relevant Interest Payment Date or consecutive Interest Payment Dates furthest from the date of payment. Arrears of Interest shall not themselves bear interest.

A "**Compulsory Interest Payment Date**" means any Interest Payment Date in the twelve months immediately preceding which a dividend has been declared or made available for payment on any class of share capital of the Holding Company or, if there is no Holding Company, the Issuer.

An "**Optional Interest Payment Date**" means each Interest Payment Date other than a Compulsory Interest Payment Date.

(l) ***Calculations and determinations to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Fiscal Agent or the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, any other agents as may be appointed in respect to any Series of Notes and all relevant Noteholders, Receiptholders and Couponholders.

(m) ***Suspension of Interest on Credit Linked Notes upon Potential Failure to Pay***

If on any Determination Date (or if no Determination Date is specified in the relevant Final Terms, on the date that is three (3) Business Days prior to the relevant Interest Payment Date) (the "**Suspension Determination Date**") a Potential Failure to Pay exists with respect to one or more Reference Entities which (i) has not been cured (ii) is within the applicable Grace Period and (iii) has not given rise to a Failure to Pay Credit Event, then:

- (i) if "**Accrual of Interest until Credit Event**" is specified as Not Applicable in the relevant Final Terms, no interest shall be payable in respect of the Notes on the Interest Payment Dates following such Suspension Determination Date; or
- (ii) if "**Accrual of Interest until Credit Event**" is specified as being Applicable in the relevant Final Terms, no interest shall be payable in respect of the Notes on

the Interest Payment Dates following such Suspension Determination Date in respect of the period commencing on the date on which the Potential Failure to Pay occurred onwards.

Thereafter, if on any day following such suspension of interest payments it is determined that:

- (i) all Potential Failures to Pay have been cured within the applicable Grace Period, then:
 - (A) on the day that is three (3) Business Days after such date the Issuer shall pay the Noteholders an amount equal to the aggregate amount of interest (if any) that would have been payable (over one or more Interest Periods) if on the relevant Suspension Determination Date (and any successive relevant Suspension Determination Dates) payments of interest had not been suspended as a result of such Potential Failures to Pay; and
 - (B) for the avoidance of doubt, no additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or suspension of any payment of interest; or
- (ii) any Potential Failures to Pay have given rise to a Failure to Pay Credit Event, no further interest shall be payable under the Notes and there shall be no amounts payable in respect of any suspension of interest payments.

The Calculation Agent shall endeavour to give notice to the Noteholders in accordance with Condition 18 as soon as reasonably practicable should any payment of interest be suspended.

If an amount of Interest is paid in respect of an Interest Payment Date in circumstances where such Interest Amount is not due because of the operation of this Condition (an "**Overpayment**"), the Issuer shall deduct an aggregate amount from the following Interest Amount and/or principal amounts due in respect of the Credit Linked Notes equal to such Overpayment.

5. **EVENTS OF DEFAULT**

Unless otherwise specified in the relevant Final Terms, the following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Notes of any Series, namely:

- (a) the Issuer defaults in any payment of principal or interest in respect of the Notes of the relevant Series or any of them as and when the same shall become due and payable and such default shall not have been cured within 15 days after written notice requiring such default to be remedied has been given by a Noteholder of the relevant Series to the Issuer; or
- (b) the Issuer defaults in the performance of any provision of the Fiscal Agency Agreement or of the Notes of the relevant Series (other than the payment of principal or interest) and such default is not cured within 30 days after written notice requiring such default to be remedied has been given by a Noteholder of the relevant Series to the Issuer; or
- (c) the Issuer is dissolved or wound up or if the Issuer enters into a composition with its creditors, files a petition for a suspension of payments, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt; or
- (d) the Issuer defaults in the payment of the principal of or interest on any obligations in respect of borrowed moneys of or assumed by the Issuer, or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to obligations in respect of borrowed moneys (other than guarantees given in the

ordinary course of carrying on its banking business), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest or principal or amount due under any guarantee and/or indemnity as aforesaid has not been effectively extended or if any such obligations in respect of borrowed moneys of or assumed by the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder. In this subparagraph (d) "**borrowed moneys**" means borrowed moneys of an original maturity of 24 months or more, which have an outstanding nominal amount of the equivalent of Euro 10 million or more; or

- (e) the Issuer becomes or is found bankrupt or an order was made or an effective resolution was passed for the statutory merger (*juridische fusie*), de-merger (*splitsing*), winding up or liquidation (*vereffening*) of the Issuer (except for the purposes of a reconstruction or merger, the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders of the relevant Series) or becomes the subject of a filing for a declaration (which is not revoked within a period of 30 days), or a declaration was made under Chapter 3.5.5 of the Wft in respect of the Issuer or the Issuer compromises with the creditors generally or such measures are officially decreed.

If any Event of Default shall occur in relation to any Series of Notes, any Noteholder of the relevant Series may, by written notice to the Issuer, effective when deemed validly given and received in accordance with Condition 18.3, (the "**Notification Date**"), declare that such Note and (if the Note is interest bearing) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its nominal amount (or at such other amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior to such Notification Date, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

6. **TAXATION**

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law or by the administration or official interpretation thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by any Noteholder or Couponholder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of payment in respect of any Note or Coupon presented for payment:

- (a) by, or by a third party on behalf of, a holder of a Bearer Note who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Bearer Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such directive or similar measures adopted by a number of third countries and territories; or

- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (d) more than 30 days after the Relevant Date, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days.

In addition no such additional amounts shall be payable in respect of payment in respect of any Registered Note the holder of which is liable to such taxes or duties by reason of his having some connection with The Netherlands other than the mere holding of such Registered Note or who is able to avoid such withholding or deduction by making a declaration of non residence or other similar claim for exemption to the relevant tax authority.

For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders and Couponholders, notice to that effect shall have been duly given to the Noteholders of the relevant Series in accordance with Condition 18.

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands references herein to "**The Netherlands**" shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

Any reference in these Terms and Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 6.

7. PAYMENTS

7.1 Payments on Bearer Notes

This Condition 7.1 is applicable in relation to Notes in bearer form.

Payment of amounts (whether principal, redemption amount or otherwise and including accrued interest other than interest due against surrender of matured Coupons) due in respect of Bearer Notes will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Subject as provided above, payment of amounts due in respect of interest on Bearer Notes will be made:

- (a) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Note, upon due certification as required therein;
- (b) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States; and
- (c) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States.

Payments of amounts due in respect of interest on the Notes will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due in respect of

interest on such Notes when due at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, and (b) such payment is permitted by applicable United States law. If payment of interest is so illegal or precluded, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

If the due date for payment of any amount due (whether in respect of principal, redemption amount, interest or otherwise) in respect of any Bearer Note is not a Local Banking Day, then the holder thereof will not be entitled to payment thereof until the next day which is a Local Banking Day and, if such payment is to be made by transfer to a designated account rather than by cheque, a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located (such date the "**Relevant Financial Centre Day**") and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions. For the purposes of this Condition 7.1, a "**Local Banking Day**" means a day (other than a Saturday and Sunday) on which commercial banks are open for business in the place of presentation of the relevant Note or, as the case may be, Coupon.

Each Definitive Note initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Note, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

- (i) in the case of Definitive Notes which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time prior to the tenth anniversary of the due date of such final redemption or, if later, the fifth anniversary of the date of maturity of such Coupon;
- (ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons (excluding, for the purpose, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 7.1 notwithstanding, if any Definitive Notes which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further

Talon), subject to the provisions of Condition 7.3 below. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

7.2 **Payments on Registered Notes**

This Condition 7.2 is applicable in relation to Notes in registered form.

Payment of amounts (whether principal, redemption amount, interest or otherwise and including accrued interest) due in respect of Registered Notes on the final redemption of Registered Notes will be made against presentation and, save in the case of a partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the final redemption amount of Registered Notes is not a Local Banking Day, then the holder thereof will not be entitled to payment thereof until the next day which is a Local Banking Day and, if such payment is to be made by transfer to a designated account rather than by cheque, a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located (such date the "**Relevant Financial Centre Day**") and no further payment should be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions. For the purposes of this Condition 7.2, a "**Local Banking Day**" means a day (other than a Saturday and Sunday) on which commercial banks are open for business in the place of presentation of the relevant Registered Note.

Payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Notes) in respect of Registered Notes will be paid to the holders thereof (or, in the case of joint holders, the first named) as appearing in the register kept by the Registrar as at opening of business in the Registrar City on the fifteenth Registrar Business Day before the due date for such payment (the date of such determination being the "**Record Date**"). The Registrar shall notify the Fiscal Agent of the identity of the holders of the relevant Registered Notes, as determined in accordance with this paragraph, as soon as possible following such determination and in any event, at least 10 Registrar Business Days prior to the relevant payment date and the Fiscal Agent shall as soon as possible inform the Issuer and such other parties as appropriate. For the purposes of this Condition 7.2, "**Registrar City**" shall mean the city in which the Registrar is located for the purposes of the relevant Series of Notes and "**Registrar Business Day**" will mean a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Registrar City.

Notwithstanding the provisions of Condition 7.3, payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of a final redemption of Registered Notes) in respect of Registered Notes will be made by cheque and posted to the address (as recorded in the register held by the Registrar) of the holder thereof (or, in the case of joint holders, the first named) on the London, Amsterdam or, as the case may be, New York Business Day immediately preceding the relevant date for payment unless prior to the relevant Record Date the holder thereof (or, in the case of joint holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

7.3 **General provisions applicable to payments**

Save as otherwise specified herein, this Condition 7.3 is applicable in relation to Notes whether in bearer or in registered form.

Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Notes will be made by (a) transfer to an account in the relevant currency specified by the payee or (b) cheque. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

All payments in respect of a Global Note or Global Registered Note which, according to these Terms and Conditions, require presentation and/or surrender of a Note, Individual Note

Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto or, in respect of an NGN, that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

In the case of a Global Note, the place of presentation of the relevant Note or, as the case may be, Coupon shall be disregarded in the definition of "Local Banking Day" in Condition 7.1.

In the case of a Global Registered Note:

- (a) the relevant Registrar City shall be disregarded from the definition of "Registrar Business Day" in Condition 7.2; and
- (b) the definition of "Record Date" in Condition 7.2 shall be disregarded and replaced with "as at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for payment (where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business).

7.4 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 6;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the amortised face amount; and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

8. **GENERAL CONDITIONS RELATED TO REDEMPTION AND PURCHASE**

8.1 **Redemption at Maturity**

Unless previously redeemed, or purchased and cancelled, Notes (unless it is an Index Linked Redemption Note, an Equity Linked Redemption Note, a Credit Linked Note or a Currency Linked Redemption Note,) shall be redeemed at their nominal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms (or, in the case of Instalment Notes, in such number of instalments and in such amounts as may be specified in the relevant Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms.

8.2 Early Redemption for Taxation Reasons

Unless this Condition is specified in the relevant Final Terms as not applicable, if, in relation to any Series of Notes, (i) as a result of any change in the laws or regulations of The Netherlands or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the relevant Final Terms, on the occasion of the next payment due in respect of such Notes the Issuer would be required to pay additional amounts as provided in Condition 6 and (ii) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by two directors of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option (but, in the case of Subordinated Notes subject to consent thereto having been obtained from the DNB and having given no less than thirty nor more than sixty days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Noteholders in accordance with Condition 18 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their nominal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon **provided, however**, (and except in the case of Notes which bear interest at a floating rate) **that** no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

8.3 Optional Early Redemption (Issuer Call)

If this Condition is specified in the relevant Final Terms as being applicable, then the Issuer may, on any Optional Redemption Date, (as may be specified in the applicable Final Terms) subject: (i) in the case of Subordinated Notes, to the prior written consent of the DNB; and (ii) to compliance with the relevant Notice Period and such other conditions as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specifies otherwise, some only), of the Notes of the relevant Series at their nominal amount (or such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (the "**Optional Redemption Amount**").

The appropriate notice is a notice given by the Issuer to the Fiscal Agent and communicated by the Fiscal Agent to the Registrar (in the case of Registered Notes) and the Noteholders of the relevant Series, which notice shall be signed by two authorised signatories of the Issuer and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption, as determined in accordance with the terms of the applicable Final Terms; and
- the Optional Redemption Amount.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

8.4 **Partial Redemption**

If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 8.3:

- in the case of Bearer Notes, the Notes to be redeemed ("**Redeemed Notes**") will be drawn individually by lot in such European city as the Fiscal Agent may specify, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, or, in either case identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to the Noteholders referred to in Condition 8.3 shall specify the serial numbers of the Notes so to be redeemed; and
- in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their nominal amounts or, in the case of a Global Registered Note, in accordance with the rules of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion, subject always as aforesaid and **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an integral multiple thereof.

8.5 **Optional Early Redemption (Investor Put)**

If this Condition is specified in the relevant Final Terms as being applicable, then the Issuer shall subject (i) in the case of Subordinated Notes, to the prior written consent of the DNB; and (ii) to the provision of the relevant Notice Period by any Noteholder of the relevant Series, redeem such Note on the Optional Redemption Date specified in the notice by any Noteholder of the relevant Series at its nominal amount (or such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable in respect of such Note prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon (the "**Optional Redemption Amount**"). It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

In order to exercise such option, the Noteholder must, not less than 45 days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Note (together, in the case of an interest bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar and must deposit a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar within the applicable Notice Period (as specified in the relevant Final Terms).

Where Notes are represented by a Permanent Global Note or Global Registered Note, in order to exercise the option contained in this Condition 8.5 the bearer of the Permanent Global Note or the holder of a Global Registered Note must within the period specified above for the deposit of the relevant Note and redemption notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of the Notes in respect of which such option is being exercised. Any such notice is irrevocable and may not be withdrawn.

8.6 **Early Redemption following a Hedging Event**

Unless this Condition is specified in the relevant Final Terms as not applicable, if in relation to a Series of Notes the Issuer determines that a Hedging Event has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 10 nor more than 30 days'

notice to Noteholders in accordance with Condition 18 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"Hedging Event" means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date):

- (a) it becomes impossible or impracticable for the Issuer to:
 - (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a **"Hedging Transaction"**); or
 - (ii) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (b) the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Issuer in its sole and absolute discretion.

8.7 **Redemption for Illegality**

Unless this Condition is specified in the relevant Final Terms as not applicable, in the event that the Calculation Agent determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 18 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.8 **Early Redemption Amounts**

For the purposes of Condition 8.2, Condition 8.3, Condition 8.4, Condition 8.5, Condition 8.6 or Condition 8.7 each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- (c) in the case of a Zero Coupon Note, at an amount (the **"Amortised Face Amount"**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price; and

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

- (d) in the case of an Index Linked Note, an Equity Linked Note, a Credit Linked Note, a Currency Linked Note, or any other type of Note as may be issued under this Programme, as determined by reference to the provisions in the applicable Final Terms;

or on such other calculation basis as may be specified in the applicable Final Terms and in each case, subject to adjustment to account for any Swap Unwind Amount (as defined in Condition 13.10) as the Calculation Agent may deem reasonable.

8.9 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates, as may be specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.8 above.

8.10 **Purchase of Notes**

The Issuer or any of its consolidated subsidiaries may (but, in the case of Subordinated Notes, subject to the prior written consent thereto having been obtained from the DNB) at any time purchase Notes in the open market or otherwise and at any price **provided that**, in the case of interest bearing Definitive Notes, any unmatured Coupons appertaining thereto are purchased therewith. Notes purchased in accordance with this Condition 8.10 may be held, re-issued, re-sold or, at the option of the Issuer, surrendered to any Paying Agent or, in the case of Registered Notes, the Registrar for cancellation (provided that, in the case of interest bearing Notes, all unmatured Coupons appertaining thereto are attached or surrendered therewith).

8.11 **Cancellation of Redeemed Notes**

All unmatured Notes redeemed in accordance with this Condition 8 (provided, in the case of interest bearing Notes, that all unmatured Coupons appertaining thereto are attached or surrendered therewith) will be cancelled and may not be reissued or resold.

8.12 **No Fixed Redemption Date on Upper Tier 2 Notes**

Upper Tier 2 Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to repay them in accordance with these Conditions and the applicable Final Terms.

9. **CURRENCY LINKED REDEMPTION NOTES**

Provisions relating to the redemption of Currency Linked Redemption Notes will be set out in the applicable Final Terms.

10. **INDEX LINKED NOTES**

10.1 **Redemption of Index Linked Redemption Notes**

Unless previously redeemed or purchased and cancelled, each nominal amount of the Index Linked Redemption Notes equal to the lowest Specified Denomination set out in the applicable Final Terms (the "**Specified Amount**") will be redeemed by the Issuer at the Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

10.2 **Adjustments, modifications and corrections to an Index**

(a) ***Successor Index Sponsor Calculates and Reports an Index***

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

(b) ***Modification and Cessation of Calculation of an Index***

If (A) on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (B) on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Calculation Agent shall as soon as practicable give notice to the Issuer by email and/or facsimile, and to the Noteholders in accordance with Condition 18, of the Index Adjustment Event. The Issuer in its sole and absolute discretion may then upon giving notice to the Noteholders in accordance with Condition 18, take one of the actions described in (i) or (ii) below:

- (i) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and, if so, 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
- (ii) redeem all, but not some only, of the Notes, at the Early Redemption Amount specified in the Final Terms.

The Calculation Agent shall, as soon as practicable after making any determination pursuant to Condition 10.2(b)(i), notify the Issuer by email and/or facsimile, and the Noteholders in accordance with Condition 18 of such determination.

(c) ***Correction of an Index***

If Correction of Index Levels is specified as applying in the applicable Final Terms, with the exception of any correction published after the Correction Cut-Off Date specified in the applicable Final Terms, if the official closing level of an Index published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor within one Settlement Cycle after the original publication, (i) the Calculation Agent shall give notice as soon as practicable to the Issuer by email and/or facsimile, and to the Noteholders in accordance with Condition 18, (ii) such Corrected Index Level shall be deemed to be the closing level for such Index for that Valuation Date and (iii) the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or Redemption Amount. Corrections published after the Correction Cut-Off Date will be disregarded by the Calculation Agent for the purposes of determining the relevant Interest Amount and/or Redemption Amount.

10.3 Definitions applicable to Index Linked Notes

"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.

"Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in 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).

"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 relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Early Closure" means the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for order to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values, on any relevant Exchange(s) for securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

"Indices" and **"Index"** mean, subject to adjustment in accordance with Condition 10.2, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

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

"Market Disruption Event" means in respect of an Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"Reference Price" means:

- (a) where the Notes are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as determined by the Calculation Agent at the Scheduled Closing Time of such Index (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index

determined by the Calculation Agent at such Valuation Time) on the Valuation Date (as defined below), without regard to any subsequently published correction save as in accordance with Condition 10.2(c); and

- (b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Calculation Agent at the Scheduled Closing Time of each such Index (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time) on the Valuation Date, without regard to any subsequently published correction save as in accordance with Condition 10.2(c), multiplied by the relevant Multiplier specified in the applicable Final Terms.

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

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

"Scheduled 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.

"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.

"Settlement Cycle" means, in respect of an Index, the period of Business Days following a trade in the securities underlying such Index on the Exchange in which settlement will customarily occur according to the rules of the Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

"Successor Index Sponsor" means (i) any successor sponsor acceptable to the Calculation Agent or (ii) the Index Sponsor in circumstances where the relevant Index has been 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.

"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 (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

"Valuation Date" means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless Disrupted Day is specified as applying in the applicable Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (a) where the Notes are specified in the applicable Final Terms to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that

such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the relevant Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

- (b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

11. EQUITY LINKED NOTES

11.1 Redemption of Equity Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Redemption Notes equal to the lowest Specified Denomination set out in the applicable Final Terms (the "**Specified Amount**") will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Redemption Amount specified in, or determined in accordance with the formula or manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms, by delivery of the Asset Amount specified in, or determined in accordance with the formula or manner specified in, the applicable Final Terms on the Maturity Date (subject as provided below) or (C) if Cash Settlement and Physical Delivery are specified in the applicable Final Terms, by payment of the Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

11.2 Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency and Adjustments for Equity Linked Redemption Notes in respect of Underlying Equities quoted in European Currencies

- (a) If Potential Adjustment Events are specified as applying in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential

Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Underlying Equities and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) and (ii) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Issuer by email and/or facsimile, and to the Noteholders in accordance with Condition 18, stating the adjustment to the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

- (b) If (x) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Final Terms and/or (y) Tender Offer is specified as applying in the applicable Final Terms, if (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Calculation Agent shall as soon as practicable notify the Issuer by email and/or facsimile, and to the Noteholders in accordance with Condition 18 of any such occurrence. The Issuer in its sole and absolute discretion may then upon giving notice to the Noteholders in accordance with Condition 18, take one of the actions described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
 - (ii) redeem all, but not some only, of the Notes, at the Early Redemption Amount specified in the Final Terms.

Upon making any such adjustment pursuant to Condition 11.2(b)(i), the Calculation Agent shall give notice as soon as practicable to the Issuer by email and/or facsimile, and to the Noteholders in accordance with Condition 18, stating the adjustment to the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms.

If the provisions of Condition 11.2(b)(i) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

- (c) If Correction of Share Prices is specified as applying in the applicable Final Terms, with the exception of any corrections published after the Correction Cut-Off Date specified in the applicable Final Terms, if the price of an Underlying Equity published on a Valuation Date is subsequently corrected and the correction (the "**Corrected Share Price**") is published on the relevant Exchange one Settlement Cycle after the original

publication, (i) the Calculation Agent shall give notice as soon as practicable of that correction to the Issuer by email and/or facsimile and to the Noteholders in accordance with Condition 18, (ii) such Corrected Share Price shall be deemed to be the closing price for such Underlying Equity for that Valuation Date, (iii) and the Calculation Agent shall use such Corrected Share Price in determining the relevant Interest Amount and/or Redemption Amount. Corrections published after the Correction Cut-Off Date will be disregarded by the Calculation Agent for the purposes of determining the relevant Interest Amount and/or Redemption Amount.

- (d) In respect of Equity Linked Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a Member State of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in Euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Underlying Equities are traded, then the Calculation Agent will adjust any one or more of the Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for 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 Condition 11.2(c) will affect the currency denomination of any payment obligation arising out of the Notes.

11.3 Physical Delivery

- (a) If Physical Delivery is specified as applicable in the Final Terms, the Note will be redeemed by delivery of the Asset Amount. In order to obtain delivery of the Asset Amount(s) in respect of such Note:
- (i) if such Note is represented by a Global Note or evidenced by a Global Certificate or held within the Euroclear Netherlands system, the relevant Noteholder must deliver to Euroclear, Clearstream, Luxembourg or Euroclear Netherlands, (as applicable), with a copy to the Issuer and the Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out in the Fiscal Agency Agreement (the "**Asset Transfer Notice**"); and
- (ii) if such Note is in definitive form, the relevant Noteholder must deliver to any Paying Agent and the Registrar (if applicable) with a copy to the Issuer and the Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent and the Registrar (if applicable).

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note or evidenced by a Global Certificate, in such manner as is acceptable to Euroclear, Clearstream, Luxembourg, or Euroclear Netherlands, as the case may be, or (ii) if such Note is in definitive form or evidenced by a Certificate, in writing or by tested telex.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (A) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;

- (B) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg to be debited with such Notes and irrevocably instruct and authorise Euroclear, or Clearstream, Luxembourg to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- (C) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, Luxembourg in respect thereof and to pay such Delivery Expenses;
- (D) specify an account to which dividends (if any) payable pursuant to this Condition 11.3 or any other cash amounts specified in the applicable Final Terms as being payable are to be paid; and
- (E) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream, Luxembourg, or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, and in the case of Notes in definitive form, the relevant Note, the relevant Paying Agent, Euroclear or Clearstream, Luxembourg or the Registrar as the case may be, shall verify that the person specified therein as the accountholder or registered holder, as the case may be, is the holder of the specified nominal amount of Notes according to its books or the Register, as the case may be.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note or held, by Euroclear or Clearstream, Luxembourg after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent or Registrar, as applicable, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

In relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition the "**Delivery Date**"), **provided that** the Asset Transfer Notice is duly delivered to Euroclear, or Clearstream, Luxembourg a Paying Agent or the Registrar as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer and the Calculation Agent, later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any

payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

- (b) All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting (in the sole determination of the Calculation Agent) and notice thereof shall be given to the relevant Noteholder, in accordance with Condition 18. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this paragraph. Where delivery of the Asset Amount has been postponed as provided in this paragraph the issuer shall not be in breach of these Terms and Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Noteholders in accordance with Condition 18. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets that are incapable of being delivered, rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 18.

For the purposes of the Notes (i) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the register of members of any Equity Issuer, (ii) the Issuer shall not be obliged to account to any Noteholder or any other person for any entitlement received or that is receivable in respect of any Underlying Equities comprising the Asset Amount in respect of any Note if the date on which the Underlying Equities are first traded on the relevant Exchange ex such entitlement is on or prior to the Maturity Date and (iii) any interest, dividend or other distribution in respect of any Asset Amount will be payable to

the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Underlying Equity executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such interest, dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

11.4 **Definitions applicable to Equity Linked Redemption Notes**

"Asset Transfer Notice" means a duly completed asset transfer notice substantially in the form set out in the Fiscal Agency Agreement.

"Asset Amount" has the meaning given in the applicable Final Terms.

"Cut off Date" has the meaning given thereto in the applicable Final Terms.

"De-Listing" means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying 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).

"Delivery Expenses" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

"Disruption Cash Settlement Price" means an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 7 and 8) on such day as shall be selected by the Issuer in its sole and absolute discretion **provided that** such day is not more than 15 days before the date that the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"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.

"Equity Issuer" means the issuer of an Underlying Equity.

"Exchange" means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

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

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Equity on any relevant Related 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.

"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 Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

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

"Merger Event" means, in respect of any relevant Underlying Equities, any (i) reclassification or change of such Underlying Equities that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Underlying Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying 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 Notes are to be redeemed by delivery of Underlying Equities, the Maturity Date.

"Nationalisation" means that all the Underlying 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.

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (i) such Underlying 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 Underlying Equities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;

- (e) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of an Equity Issuer, 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, Notes or stock rights at a price below their market value as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

"Reference Price" means:

- (a) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the price at the Valuation Time on the Valuation Date of the Underlying Equity quoted on the relevant Exchange without regard to any subsequently published correction save as in accordance with Condition 11.2(c) as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, no such official closing price) can be determined at such time and, if Disrupted Day is specified as applying in the applicable Final Terms and the Valuation Date is a Disrupted Day, the consequences of such a Valuation Day being a Disrupted Day will be as set out under "**Valuation Date**" below); and
- (b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the price at the Valuation Time on the Valuation Date of the Underlying Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction save as in accordance with Condition 11.2(c) (or if, in the opinion of the Calculation Agent, no such price (or, as the case may be, any such official closing price) can be determined at such time and, if Disrupted Day is specified as applying in the applicable Final Terms, and the Valuation Date is a Disrupted Day, the consequences of such a Valuation Day being a Disrupted Day will be as set out under "**Valuation Date**" below).

"Related Exchange" means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying 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 Underlying 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 applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

"Relevant Assets" mean those assets that comprise the Asset Amount, as further defined in the 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.

"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.

"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.

"Settlement Cycle" means, in respect of an Underlying Equity, the period of Business Days following a trade in the Underlying Equity on the Exchange in which settlement will customarily occur according to the rules of the Exchange.

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Terms and Conditions and/or the applicable Final Terms is not practicable.

"Trade Date" shall have the meaning specified in the Final Terms.

"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 (i) relating to the Underlying Equity on the Exchange, or (ii) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange.

"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.

"Valuation Date" means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applying in the applicable 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 Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Equity affected (each an "**Affected Equity**") 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 Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

"Valuation Time" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the

Valuation Date in relation to each Underlying 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.

12. **ADDITIONAL DISRUPTION EVENTS** (*applicable to Index Linked Notes and Equity Linked Notes only*)

12.1 **Additional Disruption Events**

If the Notes are Index Linked or Equity Linked Notes and Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Calculation Agent shall give notice, as soon as practicable to the Issuer by email or facsimile transmission, and the Noteholders in accordance with Condition 18, stating the occurrence of the Additional Disruption Event. The Issuer, in its sole and absolute discretion may then give notice to the Noteholders in accordance with Condition 18 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

12.2 **Definitions applicable to Additional Disruption Events**

"Additional Disruption Event" means any Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing (applicable only for Equity Linked Redemption Notes) and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date, (as specified in the applicable Final Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that it has become (A) illegal to hold, acquire or dispose of any relevant Underlying Equity (in the case of Equity Linked Notes) or any relevant security comprised in an Index (in the case of Index Linked Notes) or (B) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer).

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

"Hedging Shares" means the number of Underlying Equities (in the case of Equity Linked Notes) or securities comprised in an Index (in the case of Index Linked Notes) that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

"Increased Cost of Hedging" means that the Issuer would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than the brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) 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 shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Notes) or any security comprised in an Index (in the case of Index Linked Notes) that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security comprised in an Index (in the case of Index Linked Notes), the Initial Stock Loan Rate specified in relation to such Underlying Equity or security in the applicable Final Terms.

"Insolvency Filing" means that an 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.

"Loss of Stock Borrow" means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) an Underlying Equity (in the case of Equity Linked Notes) or any securities comprised in an Index (in the case of Index Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security comprised in an Index (in the case of Index Linked Notes), the Maximum Stock Loan Rate specified in the applicable Final Terms.

13. CREDIT LINKED NOTES

13.1 Redemption of Credit Linked Notes

Unless previously redeemed or purchased and cancelled and subject as provided in Condition 13.2, Condition 13.3 and Condition 13.4 each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination set out in the applicable Final Terms will be redeemed by the Issuer by payment of the Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date.

13.2 Auction Settlement

(a) If Auction Settlement is specified in the applicable Final Terms and the Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer shall give notice (such notice, an "**Auction Settlement Notice**") to the Noteholders in accordance with Condition 18 and redeem all but not some only of the Credit Linked Notes, each nominal amount of the Credit Linked Notes equal to the lowest Specified Denomination being redeemed by the Issuer at the Auction Cash Settlement Amount on the Auction Cash Settlement Date.

If the Conditions to Settlement are satisfied and the Credit Linked Notes become redeemable in accordance with this Condition 13.2, upon payment of the Auction Cash Settlement Amount in respect of the Credit Linked Notes the Issuer shall have discharged its obligations in respect of the Credit Linked Notes and shall have no other liability or obligation whatsoever in respect thereof. The Auction Cash Settlement Amount may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no such liability shall be attached to the Issuer.

(b) Without prejudice to sub-paragraph (a) above, if the Calculation Agent determines with respect to a Credit Event and an Auction, that:

(i) an Auction Cancellation Date has occurred;

(ii) a No Auction Announcement Date has occurred and the Calculation Agent has not delivered a Notice to Exercise Movement Option pursuant to Condition 13.2(c);

- (iii) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved, following the relevant Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event;
- (iv) a Credit Event Determination Date has occurred, and no Credit Event Resolution Request Date has occurred on or prior to the date falling three (3) Business Days after such Credit Event Determination Date (or such longer or lesser period as determined by the Calculation Agent taking into account any hedging transactions entered into by the Issuer in respect of the Credit Linked Notes); or
- (v) a Credit Event Determination Date was determined in accordance with sub-paragraph (b)(ii) of the definition of "**Credit Event Determination Date**",

then the Issuer shall redeem the Credit Linked Notes in accordance with Condition 13.3 if "Cash Settlement" is specified, or deemed to be specified, as the Fallback Settlement Method in the applicable Final Terms or in accordance with Condition 13.4 if "Physical Delivery" is specified as the Fallback Settlement Method in the applicable Final Terms.

- (c) If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of "No Auction Announcement Date", the Calculation Agent may elect, in its sole and absolute discretion (with reference to any hedging transactions entered into by the Issuer in respect of the Credit Linked Notes), to deliver a Notice to Exercise Movement Option to the Issuer at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then the Credit Linked Notes shall be redeemed on the Auction Cash Settlement Date at their Auction Cash Settlement Amount, for which purposes the Auction Cash Settlement Date and the Auction Cash Settlement Amount shall be determined by reference to the relevant Parallel Auction identified by the Calculation Agent in the Notice to Exercise Movement Option in accordance with the definition of "Movement Option". If a Notice to Exercise Movement Option is delivered by the Calculation Agent, all references in this Condition 13 to "Auction", "Auction Settlement Terms", "Auction Cancellation Date", "Auction Final Price Determination Date" and "Auction Settlement Date" shall be deemed to be references to the "Parallel Auction", "Parallel Auction Settlement Terms", "Parallel Auction Cancellation Date", "Parallel Auction Final Price Determination Date" and "Parallel Auction Settlement Date" and the terms of this Condition 13 shall be construed accordingly.

13.3 **Cash Settlement**

If Cash Settlement is specified in the applicable Final Terms (or if Cash Settlement is specified, or deemed to be specified, as the Fallback Settlement Method in the applicable Final Terms) and the Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Noteholders in accordance with Condition 18 and redeem all but not some only of the Credit Linked Notes, each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination being redeemed by the Issuer at the Cash Settlement Amount on the Cash Settlement Date.

If Conditions to Settlement are satisfied and the Credit Linked Notes become redeemable in accordance with this Condition 13.3, upon payment of the Cash Settlement Amount in respect of the Credit Linked Notes the Issuer shall have discharged its obligations in respect of the Credit Linked Notes and shall have no other liability or obligation whatsoever in respect thereof. The Cash Settlement Amount may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

13.4 **Physical Delivery**

If Physical Delivery is specified in the applicable Final Terms (or if Physical Delivery is specified as the Fallback Settlement Method in the applicable Final Terms) and the Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer shall give a Notice of Physical Settlement to the Noteholders in accordance with Condition 18 and redeem all but not some only of the Credit Linked Notes, each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination being redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with Conditions 13.9 and 13.10.

In the Notice of Physical Settlement the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Calculation Agent shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "Restructuring Maturity Limitation and Fully Transferable Obligation" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If Conditions to Settlement are satisfied and the Credit Linked Notes become redeemable in accordance with this Condition 13.4, upon Delivery of the Deliverable Obligations comprising the Asset Amount and/or payment of the Partial Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Credit Linked Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations comprising the Asset Amount and/or the Partial Cash Settlement Amount may be less than the nominal amount of a Credit Linked Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

13.5 **Repudiation/Moratorium Extension**

Where the Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 18 that a Potential Repudiation/Moratorium has occurred and:

- (a) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (i) each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination will be redeemed by the Issuer by payment of the Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
 - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

- (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period and the Repudiation/Moratorium Extension Condition has been satisfied, the provisions of Condition 13.2, Condition 13.3 or Condition 13.4 as applicable shall apply to the Credit Linked Notes.

13.6 **Grace Period Extension**

If "**Grace Period Extension**" is specified as applying in the applicable Final Terms, the provisions of this Condition 13.6 shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (a) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (i) each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination will be redeemed by the Issuer by payment of the Redemption Amount on the Grace Period Extension Date; and
 - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (b) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period the provisions of Condition 13.2, Condition 13.3 or Condition 13.4 as applicable shall apply to the Credit Linked Notes.

13.7 **Maturity Date Extension**

If on (A) the Scheduled Maturity Date or, (B) the Repudiation/Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred, the Calculation Agent may notify the Noteholders in accordance with Condition 18 and inform the London Stock Exchange that the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling 15 calendar days after the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, and:

- (a) where Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date:
 - (i) subject as provided below each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and
 - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other

amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

- (b) where Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 13.2, Condition 13.3 or Condition 13.4 as applicable shall apply to the Credit Linked Notes.

13.8 **Credit Derivatives Determinations Committee Extension**

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date (as the case may be) but a Credit Event Resolution Request Date in respect of a Credit Event has been announced by ISDA but a DC Resolution in respect of such Credit Event has not been published (such DC Resolution, an "**Extension DC Credit Event Resolution**" and such Credit Event, an "**Extension Credit Event**"), then the Calculation Agent may notify the Noteholders in accordance with Condition 18 and inform the London Stock Exchange that the Scheduled Maturity Date has been postponed to the date which is 15 calendar days following the date on which such Extension DC Credit Event Resolution is made (such date, the "**DC Extended Maturity Date**") and:

- (a) where the Conditions to Settlement in respect of such Extension Credit Event have not been satisfied on or prior to the DC Extended Maturity Date:
 - (i) each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination will be redeemed by the Issuer by payment of the Redemption Amount on the second Business Day following the DC Extended Maturity Date; and
 - (ii) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the DC Extended Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (b) where the Conditions to Settlement in respect of such Extension Credit Event, are satisfied in the Notice Delivery Period the provisions of Condition 13.2, Condition 13.3 or Condition 13.4 as applicable shall apply to the Credit Linked Notes.

13.9 **Physical Delivery**

- (a) If any Credit Linked Note, is to be redeemed by delivery of the Asset Amount, in order to obtain delivery of the Asset Amount(s) in respect of any Credit Linked Note:
 - (i) if such Credit Linked Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg, with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and
 - (ii) if such Credit Linked Note is in definitive form the relevant Noteholder must deliver to any Paying Agent and the Registrar (if applicable) with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent and the Registrar (if applicable).

An Asset Transfer Notice may only be delivered (i) if such Credit Linked Note is represented by a Global Note in such manner as is acceptable to Euroclear or

Clearstream, Luxembourg, or if such Credit Linked Note is in definitive form in writing or by tested telex.

If this Credit Linked Note is in definitive form this Credit Linked Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (A) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (B) in the case of Credit Linked Notes represented by a Global Note specify the nominal amount of Credit Linked Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, Luxembourg, to be debited with such Credit Linked Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg to debit the relevant Noteholder's account with such Credit Linked Notes on or before the Settlement Date;
- (C) include an undertaking to pay all Delivery Expenses and, in the case of Credit Linked Notes represented by a Global Note an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, Luxembourg in respect thereof and to pay such Delivery Expenses;
- (D) specify an account to which any amounts payable pursuant to Condition 10(h) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid;
- (E) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream, Luxembourg, or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Credit Linked Notes which are the subject of such notice.

In the case of Credit Linked Notes represented by a Global Note upon receipt of such notice, and in the case of Credit Linked Notes in definitive form the relevant Credit Linked Note, the relevant Paying Agent, Euroclear or Clearstream, Luxembourg or the Registrar as the case may be, shall verify that the person specified therein as the accountholder or registered holder, as the case may be, is the holder of the specified nominal amount of Credit Linked Notes according to its books or the Register, as the case may be.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Credit Linked Notes represented by a Global Note or evidenced by a Global Certificate or if the Credit Linked Notes are held within the Euroclear Netherlands system, by Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or the Registrar, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Credit Linked Notes in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Asset Amount in respect of each Credit Linked Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person

designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein on or prior to the Exercise Cut Off Date or if applicable the Cut Off Date specified in the applicable Final Terms, the Issuer will, subject as provided above, deliver the Deliverable Obligations constituting the Asset Amount in respect of the relevant Credit Linked Notes as soon as practicable after the receipt of the duly completed Asset Transfer Notice, **provided that** if, in respect of a Credit Linked Note, a Noteholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Exercise Cut Off Date or if applicable the Cut Off Date, the Issuer's obligations in respect of such Credit Linked Notes shall be discharged and the Issuer shall have no liability in respect thereof.

- (b) All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Credit Linked Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations. In relation to each Deliverable Obligation constituting the Asset Amount the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Delivery Date **provided that** if all or some of the Deliverable Obligations included in the Asset Amount are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 30th Business Day following the Settlement Date (the "**Final Delivery Date**"),

provided further that if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Condition 13.10 shall apply.

13.10 **Partial Cash Settlement**

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount are not Delivered by the Final Delivery Date, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Noteholders in accordance with Condition 18 and the Issuer shall pay in respect of each Undeliverable Obligation or Hedging Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedging Disruption Obligation, as the case may be.

Unless otherwise specified in the applicable Final Terms, for the purposes of this Condition 13.10 the following terms are deemed to have the meanings given below:

"Partial Cash Settlement Amount" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, or, if available and the Calculation Agent determines that it is appropriate, the Auction Final Price of such

Undeliverable Obligation or Hedge Disruption Obligation, as the case may be less (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

"Partial Cash Settlement Date" is deemed to be the date falling three Business Days after the calculation of the Final Price.

"Indicative Quotation" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

"Market Value" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of **"Quotation"** below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the

Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

- (c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.

"Quotation Amount" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

"Quotation Method" is deemed to be Bid.

"Reference Obligation" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

"Valuation Method" is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case **"Valuation Method"** is deemed to be Market.

"Valuation Time" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

"Weighted Average Quotation" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, with an Outstanding Principal Balance of as large a Amount as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

13.11 **Suspension of Redemption**

If, following the determination of a Credit Event Determination Date in accordance with sub-paragraph (a) of the definition of "Credit Event Determination Date" but prior to the relevant Auction Cash Settlement Date, Cash Settlement Date, the relevant Physical Delivery Date, a Delivery Date or, to the extent applicable, a Valuation Date, as applicable, the Calculation Agent determines that public announcement has been made by ISDA that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules and such announcement relates to a Reference Entity and Credit Event under the Credit Linked Notes, the timing requirements relating to notices of physical settlement and or any other provision of this Condition 13 and the Credit Linked Notes that pertains to redemption and settlement of any Credit Linked Notes, shall be suspended until the date on which the Calculation Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (x) the matters described above or (y) not to determine such matters. During such suspension period, the Issuer shall not take any action in connection

with the redemption and settlement of the Credit Linked Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began. No additional amounts shall be payable by the Issuer in connection with any such suspension.

13.12 **Redemption following a Merger Event**

In the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 18 and redeem the Credit Linked Notes at the Early Redemption Amount specified in the Final Terms on a Redemption Date determined by the Calculation Agent in good faith.

13.13 **Definitions applicable to Credit Linked Notes**

"2005 Matrix Supplement" means the version of the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions as published by ISDA on 7 March 2005 and updated from time to time that is in effect on the Issue Date.

"Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if **"Include Accrued Interest"** is specified as being applicable in the applicable Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

"Asset Amount" means, in respect of each nominal amount of Credit Linked Notes equal to the lowest Specified Denomination, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the **"Calculation Agent"**) if **"Include Accrued Interest"** is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if **"Exclude Accrued Interest"** is specified as applying in the applicable Final Terms, and if neither **"Include**

Accrued Interest" nor **"Exclude Accrued Interest"** is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or

- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the lowest Specified Denomination less, if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non occurrence of such event or circumstance.

"Asset Transfer Notice" means a duly completed asset transfer notice substantially in the form set out in the Fiscal Agency Agreement.

"Auction" means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Credit Derivatives Auction Settlement Terms, an auction pursuant to which an Auction Final Price is to be determined in accordance with an auction procedure set out in the Credit Derivatives Auction Settlement Terms and which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s), as applicable, under the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity, obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the scheduled maturity date of the Credit Linked Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

"Auction Cancellation Date" means, with respect to an Auction, unless otherwise specified in the relevant Credit Derivatives Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Credit Derivatives Auction Settlement Terms.

"Auction Cash Settlement Amount" means an amount calculated by the Calculation Agent equal to:

$$(A \times D) - C$$

where:

"A" is the lowest Specified Denomination;

"D" is the Auction Final Price; and

"C" is Unwind Costs,

provided that in no event shall the Auction Cash Settlement Amount be less than zero.

"Auction Cash Settlement Date" means the third Business Day following the Auction Settlement Date determined in accordance with the relevant Credit Derivatives Auction

Settlement Terms or such other date specified in the applicable Final Terms, as determined by the Calculation Agent.

"Auction Final Price" means, with respect to an Auction, unless otherwise specified in the relevant Credit Derivatives Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Credit Linked Notes determined to be the Auction Final Price in accordance with the relevant Credit Derivatives Auction Settlement Terms.

"Auction Final Price Determination Date" means, with respect to an Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Credit Derivatives Auction Settlement Terms.

"Auction Settlement" means settlement in accordance with Condition 13.2 (*Auction Settlement*)

"Auction Settlement Date" means the date that is the number of Business Days specified in the relevant Credit Derivatives Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the relevant Auction Final Price Determination Date.

"Bankruptcy" means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) 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;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

"Best Available Information" means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which

provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of "**Successor**", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "**Successor**".

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute "**Best Available Information**".

"**Best Currency Rate**" means the rate of exchange obtained by the Calculation Agent in its sole discretion (acting in a commercially reasonable manner) equal to the rate of conversion of the currency of the Deliverable Obligation into the Specified Currency or vice versa, as applicable in respect of the relevant Series of Credit Linked Notes.

"**Calculation Agent City Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

"**Cash Settlement**" means settlement in accordance with Condition 13.3 (*Cash Settlement*).

"**Cash Settlement Amount**" means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"**A**" is the lowest Specified Denomination;

"**B**" is the Final Price; and

"**C**" is Unwind Costs,

provided that in no event shall the Cash Settlement Amount be less than zero.

"**Cash Settlement Date**" means, if "Cash Settlement" is specified or if "Cash Settlement" is specified, or deemed to be specified as the Fallback Settlement Method in the applicable Final Terms), (a) the day falling the number of Business Days specified in the applicable Final Terms after the calculation of the Final Price or (b) if the Cash Settlement Amount or the Final Price is specified in the applicable Final Terms, the date that is three Business Days (or such number of Business Days specified in the applicable Final Terms) following the satisfaction of the Conditions to Settlement relevant to such Credit Event.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, **provided, however, that** a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bond (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation)

or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "**Conditionally Transferable Obligation**".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

"**Conditions to Settlement**" mean the conditions that shall be deemed to be satisfied in full by the occurrence of an Credit Event Determination Date prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Delivery Date (or, if earlier, a Delivery Date) or the Scheduled Maturity Date, as applicable, unless "Physical Delivery" is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method), in which case all of the Conditions to Settlement shall be deemed to be satisfied by the satisfaction of the Notice of Physical Delivery Condition to Settlement on or following the occurrence of a Credit Event Determination Date.

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the Issuer or of (or for the benefit of) the holders of such obligation).

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules and, with respect to a Reference Entity, a Credit Event and an Auction, which the Calculation Agent determines are relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Credit Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

"**Credit Derivatives Determinations Committees**" means the committees established by ISDA for the purposes of reaching certain determinations in connection with credit derivative transactions, as more fully described in the Rules.

"**Credit Event**" means, as determined by the Calculation Agent, the occurrence of any or any combination of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the applicable Final Terms. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, or, as applicable, any Underlying Obligation however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restriction imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means:

- (a) for the purposes of any event that constitutes a Credit Event (or, with respect to Repudiation/Moratorium, the event described in sub-paragraph (b)(ii) of the definition thereof) for the purposes of certain credit derivatives transactions, as determined by a DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is 70 calendar days prior to the earlier of:
 - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Issuer to the Calculation Agent and are effective during the Notice Delivery Period; and
 - (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, provided that such determination is a DC Resolution and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Determination Date" means, with respect to a Credit Event:

- (a) subject to sub-paragraph (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the applicable Final Terms, the Notice of Publicly Available Information is delivered by the Calculation Agent to the Issuer and are effective during either:
 - (i) the Notice Delivery Period; or
 - (ii) the period (A) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" and the Calculation Agent determines that such determination constitutes an DC Resolution and (B) to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:
 - (i) the Credit Event Resolution Request Date,
 - (A) if the relevant Credit Event is not a Restructuring and either:
 - (1) if "Auction Settlement" is specified as the Settlement Method in the applicable Final Terms, the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days

following the No Auction Announcement Date, if any, as applicable; or

- (2) if "Auction Settlement" is not specified as the Settlement Method in the applicable Final Terms, the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or
- (B) if the relevant Credit Event is a Restructuring and the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Exercise Cut-off Date; or
- (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer, the Trustee and the Principal Paying Agent and is effective during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and the determination is a DC Resolution),
 - (A) if the relevant Credit Event is not a Restructuring and:
 - (1) "Auction Settlement" is not specified as the Settlement Method in the applicable Final Terms; and
 - (2) the Trade Date occurs following the relevant DC Credit Event Announcement; or
 - (B) "Auction Settlement" is not specified as the Settlement Method in the applicable Final Terms or if "Auction Settlement" is specified as the Settlement Method in the applicable Final Terms, the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the relevant Exercise Cut-Off Date,

provided that, in the case of this sub-paragraph (b):

- (1) no Physical Delivery Date, if applicable, or Cash Settlement Date, Auction Cash Settlement Date or Partial Cash Settlement Date has occurred on or prior to the date on which the DC Credit Event Announcement occurs;
- (2) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, a Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Credit Linked Notes outstanding in respect of the Reference Entity to which such Credit Event Determination Date relates, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (3) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Issuer to the Calculation Agent, (aa) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (bb) unless, and to the extent that, the Partial Redemption Amount (as defined in Condition 13.13 (*Credit Event Notice after Restructuring Credit Event*)) specified in any such Credit Event Notice was less than the Aggregate Nominal Amount of the Credit Linked Notes then outstanding.

and provided that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Delivery Date (or , if earlier, a Delivery Date), or the Termination Date, as applicable, a DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation.

"Credit Event Notice" means an irrevocable notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)). A Credit Event Notice will contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A copy of any Credit Event Notice delivered to the Issuer shall be delivered to Noteholders as soon as reasonably practicable thereafter and for so long as the Credit Linked Notes are listed on the London Stock Exchange, to the London Stock Exchange.

"Credit Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a credit event for the purposes of certain credit derivative transaction(s) has occurred with respect to a particular reference entity or obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in subparagraphs (a) and (b) above and which the Calculation Agent determines is relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Credit Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

"Currency Amount", with respect to a Deliverable Obligation denominated in a currency other than the Specified Currency and specified in this Condition 13 to be determined by reference to a Currency Amount, such amount converted to the relevant Specified Currency by the Calculation Agent using the Best Currency Rate.

"Cut off Date" has the meaning given in the applicable Final Terms.

"DC Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved:

- (a) that (i) an event that constitutes a credit event for the purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and (ii) the Calculation Agent determines that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and
- (b) which the Calculation Agent determines is relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof to which such DC Credit Event Announcement relates and the terms of the Credit Linked Notes and (ii) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

An DC Credit Event Announcement will be deemed not to have occurred with respect to the Credit Linked Notes unless (i) the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement and the relevant Credit Event was, in the determination of the Calculation Agent, a Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

"DC No Credit Event Announcement" means, with respect to a Reference Entity, (i) a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a credit event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an obligation thereof); and (ii) which the Calculation Agent determines is relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Credit Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

"DC Resolution" has the meaning given to that term in the definition of "Resolve".

"Default Requirement" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, USD10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"Deliver" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of such Deliverable Obligation(s) (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in such Deliverable Obligation(s) to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) inclusive of the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that all or a portion of the Asset Amount contains Deliverable Obligation(s) that are Direct Loan Participations, **"Deliver"** shall mean the creation (or procurement of the creation) of a participation in favour of the relevant Noteholder and to the extent that all or a portion of the Asset Amount contains Deliverable Obligation(s) that are Qualifying Guarantees, **"Deliver"** shall mean to Deliver both the Qualifying Guarantee and the Underlying Obligation. **"Delivery"** and **"Delivered"** shall be construed accordingly.

"Deliverable Obligation" means, subject to Condition 13.14,

- (a) any obligation of a Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified to apply in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "(A) Method for Determining Deliverable Obligations" below (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, and (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) of the definition of "Credit Event" or right of set-off by or of a Reference Entity or any applicable Underlying Obligor) and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being

understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (b) subject to sub-paragraph (B) in the definition of "Not Contingent", each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the applicable Final Terms.

(A) **Method for Determining Deliverable Obligations**

For the purposes of this definition of "**Deliverable Obligation**", the term "**Deliverable Obligation**" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the Delivery Date. The following terms shall have the following meanings:

- (a) "**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "**Obligation**" below, except that, for the purpose of determining Deliverable Obligations, the definition of "**Reference Obligations Only**" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- (b) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "**Obligation**" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:
 - (i) "**Not Contingent**" means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Deliverable Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in

whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of paragraph (i) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

- (ii) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (iii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;
- (iv) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (v) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
 - (A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
 - (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (vi) "**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Delivery Date of not greater than the period specified in the applicable Final Terms;
- (vii) "**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but

for, and without regard to, any limitation imposed under any applicable insolvency laws; and

- (viii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) Interpretation of Provisions.

- (a) If the Obligation Characteristic "**Listed**" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (b) if (i) either of the Deliverable Obligation Characteristics "**Listed**" or "**Not Bearer**" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "**Transferable**" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "**Assignable Loan**", "**Consent Required Loan**" or "**Direct Loan Participation**" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;
- (c) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and
- (d) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
- (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the Euro shall not be a Domestic

Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

- (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
- (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Terms and Conditions, including without limitation, the definitions of "Partial Cash Settlement Amount" and "Quotation Amount" in Condition 13.10), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

"Delivery Date" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"Delivery Expenses" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount.

"Domestic Currency" means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the Euro (or any successor currency to any such currency).

"Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. **"Voting Shares"** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Due and Payable Amount" means, subject as provided in sub paragraph (d)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross ups and other similar amounts).

"Eligible Transferee" means each of the following:

- (a)
 - (i) any bank or other financial institution;
 - (ii) an insurance or reinsurance company;
 - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub paragraph (c)(i) below); and
 - (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets or at least U.S.\$500 million;

- (b) an Affiliate of an entity specified in the preceding sub paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million;
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub paragraphs (a), (b), (c)(ii) or (d); and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation;

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

"Enabling Obligation" means an outstanding Deliverable Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"Equity Securities" means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Exercise Cut-off Date" means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms), either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date in respect of an Applicable Auction, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and:
 - (i) the relevant Credit Derivatives Determinations Committee has Resolved that the relevant Credit Derivatives Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is seven (7) Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules, provided that if the Calculation Agent delivers a Credit Event Notice on or prior to the Exercise Cut-off Date, such notice shall prevail; or
 - (ii) a No Auction Announcement Date occurs pursuant to sub-paragraph (a) of the definition of "No Auction Announcement Date", the date that is 21 calendar days following such No Auction Announcement Date.

"Extension Date" means, the latest to occur of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if:
 - (i) Grace Period Extension is specified as applicable in the applicable Final Terms;
 - (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Failure to Pay Credit Event that occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and
 - (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in sub-

paragraph (b) of the definition of "Repudiation/Moratorium" occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time));

- (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and
- (iii) the Repudiation/Moratorium Extension Condition is satisfied.

"Failure to Pay" means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"Fallback Settlement Method" means, with respect to Credit Linked Notes for which "Auction Settlement" is specified as the Settlement Method in the applicable Final Terms, the Fallback Settlement Method specified in such Final Terms or, if no Fallback Settlement Method is so specified, the Fallback Settlement Method shall be deemed to be "Cash Settlement".

"Final List" has the meaning given to that term in the Rules.

"Final Price" means, the price of the Reference Obligation, expressed as a percentage, determined by the Calculation Agent as of the Valuation Date in accordance with the Valuation Method specified in the applicable Final Terms. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Fiscal Agent and, for so long as the Notes are listed on the London Stock Exchange at the office of the Paying Agent in London (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

"Full Quotation" means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

"Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of **"Fully Transferable Obligation"**. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of **"Fully Transferable Obligation"**, such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

"Governmental Authority" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"Grace Period" means:

- (a) subject to sub-paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified in the applicable Final Terms as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the number of days specified as such in the applicable Final Terms or, if a number of days is not so specified, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless "Grace Period Extension" is specified as applicable in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

"Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"Grace Period Extension Date" means if (a) "Grace Period Extension" is specified as applying in the applicable Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the date that is five Business Days following the day falling after the number of days in the Grace Period after the date of such Potential Failure to Pay.

"Hedge Disruption Event" means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer's obligations or position in respect of the Credit Linked Notes.

"Hedge Disruption Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

"Limitation Date" means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5-years (the **"2.5-year Limitation Date"**), 5 years (the **"5-year Limitation Date"**), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the **"20-year Limitation Date"**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the parties specify in the applicable Final Terms state that Limitation Dates will be adjusted in accordance with a specified Business Day Convention.

"Market Value" means, with respect to a Reference Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full

Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"Merger Event" means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

"Minimum Quotation Amount" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

"Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in and established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. With respect to the applicable Final Terms for which "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified and for which the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only. Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Movement Option" means, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms, and with respect to which a No Auction Announcement Date has occurred, the option of the Calculation Agent to determine for purposes of settlement, the Parallel Auction Settlement Terms, if any, shall be deemed to be applicable for purposes of determining which Deliverable Obligations on the Final List will be Permissible Deliverable Obligations (in respect of the Credit Linked Notes and Auction Settlement in respect of a Reference Entity and a Credit Event) in accordance with

Condition 13.2(c). If the Calculation Agent does not exercise such option prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

"Movement Option Cut-off Date" means the date that is four Relevant City Business Days following the Exercise Cut-off Date.

"No Auction Announcement Date" means, with respect to Credit Linked Notes for which Auction Settlement is specified as the Settlement Method in the applicable Final Terms, a Reference Entity and a Credit Event, the date on which the Calculation Agent determines that ISDA first publicly announces that:

- (a) no Credit Derivatives Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (b) following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms only, no Credit Derivatives Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary and the Calculation Agent determines that such determination is an DC Resolution and no Auction will be held.

"Notice Delivery Period" means the period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.

"Notice of Physical Settlement" means a notice from the Issuer to the Noteholders (which may be in writing (including by facsimile and/or email) and/or by telephone) that contains (a) a detailed description of each Deliverable Obligation that the Calculation Agent expects to comprise the Asset Amount in respect of the Credit Linked Notes, including the Outstanding Principal Balance or Due and Payable Amount, as applicable (in each case, the **"Outstanding Amount"**), of each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available or applicable, the rate and tenor of each such Deliverable Obligation) and (b), where (i) the relevant Credit Event is a Restructuring, (ii) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and (iii) the Scheduled Maturity Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date contains a detailed description of at least one Enabling Obligation, which description will include the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation). The Issuer may, from time to time, notify the Noteholders (each such notification a **"NOPS Amendment Notice"**) that the Calculation Agent, acting on behalf of the Issuer, is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that the Calculation Agent expects the Issuer to Deliver (each, a **"Replacement Deliverable Obligation"**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Delivery or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **"Replaced Deliverable Obligation Outstanding Amount"**). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Best Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Delivery Date (determined without reference to any such change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the

detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Noteholders prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

The Notice of Physical Settlement Condition to Settlement will be deemed to have been satisfied by the delivery by the Calculation Agent of a Notice of Physical Delivery to the Issuer that is effective subject, where applicable, to Condition 13.11 (*Suspension of Redemption*), on or prior to two Business Days following the date that is:

- (a) subject to sub-paragraph (b) below, the later of:
 - (i) the 30th calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Credit Event Determination Date; and
 - (ii) the 10th calendar day after either (A) the date of the relevant DC Credit Event Announcement, if any, or (B) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date", if any, as applicable; or
- (b) if "Physical Delivery" is applicable pursuant to the Fallback Settlement Method and:
 - (i) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms), the 30th calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (ii) the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms, either:
 - (A) the 30th calendar day after:
 - (1) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition of "No Auction Announcement Date", if any; or
 - (2) a No Auction Announcement Date occurring pursuant to sub-paragraph (c) of the definition of "No Auction Announcement Date", if any, in circumstances where no Parallel Auction will be held; or
 - (3) the Auction Cancellation Date, if any, as applicable; or
 - (B) the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:
 - (1) a No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of "No Auction Announcement Date" and the Issuer has not exercised any Movement Option; or
 - (2) a No Auction Announcement Date occurs pursuant to sub-paragraph (c) of the definition of "No Auction Announcement

Date" in circumstances where one or more Parallel Auctions will be held,

provided that in the case of sub-paragraph (a)(ii) and sub-paragraph (b) above, the relevant Credit Event Resolution Request Date occurred on or prior to the date described in paragraph (a)(i) above.

For the purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used.

"Notice of Publicly Available Information" means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Condition 18.

"Notice to Exercise Movement Option" means, where (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limited and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to Condition 13.2(b), an irrevocable notice from the Calculation Agent to the Issuer (which may be in writing (including by facsimile and/or e-mail) and/or by telephone) that (i) specifies the Parallel Auction Settlement Terms applicable with respect to the relevant Reference Entity and Credit Event and (ii) is effective on or prior to the Movement Option Cut-off Date.

"Obligation" means:

- (a) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "*Method for Determining Obligations*" below (but excluding any Excluded Obligation);
- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

Method for Determining Obligations. For the purposes of paragraph (a) of this definition of "**Obligation**", the term "**Obligation**" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (a) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:

- (i) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (ii) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (iii) **"Reference Obligations Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (iv) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
 - (v) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (vi) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.
- (b) **"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
- (A) **"Not Subordinated"** means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under sub-paragraph (a) of the definition of "Substitute Reference Obligation" has occurred with respect to all of the Reference Obligations or if sub-paragraph (e) of the definition of "Successor" is applicable with respect to the Reference Obligation (each, in each case, a **"Prior Reference Obligation"**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;
 - (B) **"Subordination"** means, with respect to an obligation (the **"Subordinated Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"Senior Obligation"**), a contractual, trust or other similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is

otherwise in default under the Senior Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

- (C) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Specified Currency is specified in the applicable Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the applicable Final Terms as the "**Standard Specified Currencies**");
- (D) "**Not Sovereign Lender**" means any obligation that is not primarily owned to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "**Paris Club debt**";
- (E) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency;
- (F) "**Not Domestic Law**" means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (G) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (H) "**Not Domestic Issuance**" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Obligation Currency**" means the currency or currencies in which the Obligation is denominated.

"**Obligation Default**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Outstanding Principal Balance**" means, subject as provided in sub paragraph (d)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and

(b) with respect to any other obligation, the outstanding principal balance of such obligation, **provided that** with respect to any Exchangeable Obligation that is not an Accreting Obligation, "**Outstanding Principal Balance**" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"**Parallel Auction**" means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Final Price Determination Date**" means "Auction Final Price Determination Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Date**" means "Auction Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, following the occurrence of a Restructuring, if either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the deliverable obligation terms are the same as the Deliverable Obligation provisions applicable to the Credit Linked Notes and the Calculation Agent determines that the related auction would not be an Auction for the purposes of the Credit Linked Notes.

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**Permissible Deliverable Obligations**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations including on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

"**Permitted Currency**" means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co operation and Development and has a local currency long term debt rating of either AAA or higher assigned to it by Standard & Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof or AAA or higher assigned to it by Fitch or any successor to the rating business thereof.

"**Physical Delivery**" means settlement in accordance with Condition 13.4 (*Physical Delivery*).

"**Physical Delivery Date**" means, subject to Condition 13.11 (*Suspension of Redemption*), the date determined by the Calculation Agent that is:

- (a) the number of Business Days specified in the applicable Final Terms after the date of delivery of the Notice of Physical Settlement; or
- (b) if such number of Business Days is not so specified, (i) 30 Business Days after the date of delivery of the Notice of Physical Settlement or (ii) two Business Days following the last day of the longest Physical Delivery Period, if later.

"**Physical Delivery Period**" means, subject to Condition 13.11 (*Suspension of Redemption*), the number of Business Days specified as such in the Final Terms or, if a number of Business Days

is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"Potential Failure to Pay" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

"Publicly Available Information" means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (i) has been published in or not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information **provided that**, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation;
 - (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
 - (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
 - (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (c) In relation to any information of the type described in paragraphs (a) (ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (d) Publicly Available Information need not state:

- (i) in relation to the definition of "**Downstream Affiliate**", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
- (ii) that such occurrence:
 - (A) has met the Payment Requirement or Default Requirement;
 - (B) is the result of exceeding any applicable Grace Period; or
 - (C) has met the subjective criteria specified in certain Credit Events.

"Public Source" means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "**Underlying Obligation**") for which another party is the obligor (the "**Underlying Obligor**"). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by the operation of law) as a result of the occurrence or non occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (b)
 - (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;

- (ii) if "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"Quotation Amount" means:

- (a) with respect to a Reference Obligation, the amount specified in the Final Terms (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the Aggregate Nominal Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);
- (b) with respect to each type or issue of Deliverable Obligation to be Delivered on the Physical Delivery Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and
- (c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

"Quotation Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained other than the Issuer including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

"Quotation Method" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

"Reference Entity" or **"Reference Entities"** means the reference entity or reference entities specified in the applicable Final Terms. Any Successor to a Reference Entity either (a) as described in the definition of "Successor" or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has

Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the applicable Final Terms.

"Reference Obligation" means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

"Relevant City Business Day" has the meaning given to that term in the Rules.

"Relevant Obligations" means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"Repudiation/Moratorium" means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority:
 - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
 - (ii) declares or imposes a moratorium, standstill, roll over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition" means the condition that is satisfied (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly

Available Information is specified as a Condition to Settlement, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

"Repudiation/Moratorium Extension Notice" means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer, the Trustee and the Fiscal Agent that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"Resolve", "Resolved", "Resolves" and "Resolving" mean, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the relevant Rules (and each such determination which the Calculation Agent determines is relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which the determination relates and the terms of the Credit Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes), a **"DC Resolution"**).

"Restructured Bond or Loan" means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"Restructuring" means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the (i) the Credit Event Backstop Date and (ii) the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For purposes of (a) and (b) above and Condition 13.16 (*Provisions relation to Multiple Holder Obligation*) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.

"Restructuring Date" means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists; or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Rules" means, with respect to a Credit Derivatives Determinations Committee, the Credit Derivatives Determinations Committees Rules as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"Settlement Currency" means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Credit Linked Notes.

"Settlement Date" means the Auction Settlement Date, the Cash Settlement Date or the Physical Delivery Date, as applicable.

"Settlement Method" if (a) "Auction Settlement" is specified as the Settlement Method in the applicable Final Terms, Auction Settlement, (b) "Cash Settlement" is specified as the Settlement Method (or the Fallback Settlement Method, if applicable) in the applicable Final Terms or is deemed to be applicable, Cash Settlement, or (c) "Physical Delivery" is specified as the

Settlement Method (or the Fallback Settlement Method, if applicable) in the applicable Final Terms, Physical Delivery.

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

"Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to paragraph (c) of "(B) Interpretation of Provisions" in the definition of "Deliverable Obligation", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

"Specified Number" means the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

"Substitute Reference Obligation" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applying in the applicable Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amount due under any Reference Obligation has been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred, and not reflecting any change in ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applying in the applicable Final Terms, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If there is more than one Reference Obligation, any of the events set forth under subparagraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in accordance with subparagraph (a) above that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

- (d) If there is more than one Reference Obligation, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with sub-paragraph (a) above that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (A) there is more than one Reference Obligation, any of the events set forth in sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with sub-paragraph (a) above that no Substitute Reference Obligation is available for any of the Reference Obligations or (B) there is only one Reference Obligation, any of the events set forth in sub-paragraph (a) above has occurred with respect to the Reference Obligation and the Calculation Agent determines in accordance with sub-paragraph (a) above that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either (I) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method in accordance with Condition 13.2 (*Auction Settlement*)) and the Cash Settlement Amount is determined by reference to a Reference Obligation or (II) either Auction Settlement or Physical Delivery is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Delivery, is applicable pursuant to the Fallback Settlement Method in accordance with Condition 13.2 (*Auction Settlement*)) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), a Substitute Reference Obligation has not been identified, as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).
- (f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligations into a different Obligation.
- (g) If the Credit Linked Notes are listed on the London Stock Exchange, the London Stock Exchange will be informed of any Substitution of a Reference Obligation.

"Succession Event" means (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity, as determined by the Calculation Agent. Notwithstanding the foregoing, "Succession Event" shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the applicable Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

"Succession Event Backstop Date" means:

- (a) for the purposes of any event that constitutes a Succession Event for the purposes of certain credit derivative transactions, as determined by DC Resolution, the date that is 90 calendar days prior to the relevant Succession Event Resolution Request Date

(determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time; or

- (b) otherwise, the date that is 100 calendar days prior to the earlier of (i) the date on which the Succession Event Notice is effective and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Succession Event Notice is delivered by the Calculation Agent to the Issuer not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date, provided that the Calculation Agent determines that such determination constitutes a DC Resolution.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

"Succession Event Notice" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile) and/or by telephone) to the Issuer that describes a Succession Event that occurred on or after the relevant Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the relevant Reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of Successor, of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

"Succession Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for the purposes of certain credit derivatives transactions has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective, which the Calculation Agent determines is relevant to the Credit Linked Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Credit Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit Linked Notes).

"Successor" means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined by the Calculation Agent as set forth below:
 - (i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor for the entire Aggregate Nominal Amount of the Credit Linked Notes outstanding as at the date of the Succession Event;

- (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor for the entire Aggregate Nominal Amount of the Credit Linked Notes outstanding as at the date of the Succession Event;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor in respect of a portion of the Aggregate Nominal Amount of the Credit Linked Notes outstanding as at the date of the Succession Event;
 - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor in respect of a portion of the Aggregate Nominal Amount of the Credit Linked Notes outstanding as at the date of the Succession Event;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity for the purposes of the Credit Linked Notes will not be changed in any way as a result of the Succession Event; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (b) with respect to a Sovereign Reference Entity, each entity as determined by the Calculation Agent which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity;
 - (c) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in (a)(i) to (a)(vi) above have been met, or which entity qualifies under (a)(vi) above, as applicable; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described this definition of "Successor", and in section (a) and (b)(i) of the definition of "Successor Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set out in (a) to (a)(vi) above have been met, or which entity qualifies

under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall, as soon as reasonably practicable after such calculation, make such calculation available for inspection by Noteholders(s) at the specified office of the Fiscal Agent and, for so long as the Credit Linked Notes are listed on the London Stock Exchange, at the office of the Paying Agent in London.

- (d) In the case of (b) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under this sub-section (b); provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in this definition of "Successor", and in section (a) and (b)(ii) of the definition of "Successor Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the relevant credit derivative transaction has occurred.
- (e) For the purposes of this definition of "Successor", "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to (a) above shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.
- (f) Where:
- (i) a Reference Obligation with respect to a Reference Entity is specified in the applicable Final Terms; and
 - (ii) one or more Successors to the Reference Entity have been identified; and
 - (iii) any one or more such Successors have not assumed the Reference Obligation,
- a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation".

"Supranational Organisation" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

"Swap Transaction" means a notional credit default swap transaction between the Issuer and a counterparty (the "**Swap Counterparty**") on substantially the following terms:

- (a) the Issuer pays amounts equal to and on the same dates as the interest payments under the Credit Linked Notes;

- (b) the Issuer receives an interest amount on each Interest Payment Date calculated on the basis of a reasonable commercial funding rate as determined by the Calculation Agent in its sole and absolute discretion on the basis of the Day Count Fraction and a swap notional amount equal to the Aggregate Nominal Amount of the Credit Linked Notes for the period from the Issue Date to the Scheduled Maturity Date;
- (c) upon the occurrence of Conditions to Settlement, the swap terminates; and:
 - (i) if Physical Delivery is specified as applying in the applicable Final Terms, the Swap Counterparty pays to the Issuer an amount equal to the Aggregate Nominal Amount of the Credit Linked Notes and receives the aggregate Asset Amounts relating to such Credit Linked Notes; or
 - (ii) if Cash Settlement is specified as applying in the applicable Final Terms, the Swap Counterparty pays to the Issuer the Aggregate Nominal Amount of the Credit Linked Notes and receives the Final Price (determined as provided in Condition 13) multiplied by the Aggregate Nominal Amount of the Credit Linked Notes.

"Swap Unwind Amount" means an amount determined by the Calculation Agent equal to the amount (if any) which would be paid by the Issuer (expressed as a positive amount) or to the Issuer (expressed as a negative amount) in consideration of a counterparty of equal creditworthiness to that of the Issuer entering into a swap transaction with the Issuer with the same terms as the Swap Transaction.

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

"Undeliverable Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Settlement Date.

"Unwind Costs" means the amount specified in the applicable Final Terms or if **"Standard Unwind Costs"** are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Credit Linked Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Credit Linked Notes in the Specified Denomination.

"Valuation Date" means:

- (a) if "Single Valuation Date" is specified in the applicable Final Terms, subject to Condition 13.11 (*Suspension of Redemption*), the date that is the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the satisfaction of all Conditions to Settlement (or, if Cash Settlement is applicable pursuant to the Fallback Settlement Method in accordance with Condition 13.2 (*Auction Settlement*), the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the relevant Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable); and
- (b) if "Multiple Valuation Dates" is specified in the applicable Final Terms, subject to Condition 13.11 (*Suspension of Redemption*), each of the following dates:
 - (i) the date that is the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the satisfaction of all Conditions to Settlement (or, if "Cash Settlement" is applicable pursuant to the Fallback Settlement Method in accordance with Condition 13.2 (*Auction Settlement*), the date that is the number of Business

Days specified in the applicable Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the relevant Auction Cancellation Date, if any, or No Auction Announcement Date, if any, as applicable); and

- (ii) each successive date that is the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither "Single Valuation Date" nor "Multiple Valuation Dates" is specified in the applicable Final Terms, Single Valuation Date shall apply;

"Valuation Method":

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and only one Valuation Date:
 - (i) **"Market"** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and more than one Valuation Date:
 - (i) **"Average Market"** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
 - (iii) **"Average Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and only one Valuation Date:
 - (i) **"Blended Market"** means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **"Blended Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and more than one Valuation Date:
- (i) "**Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or
 - (ii) "**Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

- (e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

"**Weighted Average Quotation**" means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the applicable Final Terms, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

13.14 **Credit Event Notice after Restructuring Credit Event**

Notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of a Restructuring Credit Event where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies, during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the "**Partial Redemption Amount**") that is less than the nominal amount outstanding of each Credit Linked Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 13 shall be deemed to apply to the Partial Redemption Amount only and each such Credit Linked Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the nominal amount of each such Credit Linked Note not so redeemed in part shall remain outstanding and interest shall accrue on the nominal amount outstanding of such Credit Linked Note as provided in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of Condition 13 shall apply to such nominal amount outstanding of such Credit Linked Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) once a Credit Event Notice with respect to Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.
- (c) If the provisions of this Condition 13.14 apply in respect of the Credit Linked Notes, on redemption of part of each such Credit Linked Note the relevant Credit Linked Note or,

if the Credit Linked Notes are represented by a Global Note or Global Certificate, such Global Note or Global Certificate, shall be endorsed to reflect such part redemption.

13.15 **Modification to the Credit Linked Conditions**

If the Issuer adheres to any protocol published by ISDA after the Issue Date that sets out alternative settlement or valuation methods in relation to a Reference Entity (a "**Protocol**"), then the Calculation Agent may adjust such terms of the Credit Linked Notes as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of such Protocol. These may include, without limitation, adjustments in relation to the determination of any Cash Settlement Amount or any Final Price or determining that Cash Settlement rather than Physical Delivery shall apply and vice versa. Nothing in this Condition 13.15 should be taken as requiring the Issuer or the Calculation Agent to follow the terms of any Protocol.

13.16 **Provisions relating to Multiple Holder Obligation**

Notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub paragraphs (a)(i) to (a)(v) of the definition of "**Restructuring**" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**Multiple Holder Obligation**" means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty six and two thirds is required to consent to the event which constitutes a Restructuring Credit Event, **provided that** any Obligation that is a Bond shall be deemed to satisfy this requirement under (b).

13.17 **Calculation Agent and Calculation Agent Notices**

Whenever the Calculation Agent is required to act or exercise judgement, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to this Condition 13, notify the Issuer and the Noteholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Noteholders in respect of its duties as Calculation Agent with any Credit Linked Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Condition 13 shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Credit Linked Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit Linked Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

In relation to the delivery by the Calculation Agent to the Issuer of any notice pursuant to this Condition 13, a notice delivered on or prior to 4.00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4.00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation

Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

14. **PRESCRIPTION**

Bearer Notes and Coupons will become void unless presented for payment within 10 years (or, in the case of Coupons and save as provided in Condition 7.1, five years) after the Relevant Date (as defined in Condition 6) for payment thereof.

In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 7.1 or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 14.

Claims against the Issuer in respect of Registered Notes (other than in respect of the final redemption amount of Registered Notes) will be prescribed unless made within 10 years (or, in the case of claims in respect of interest, five years) after the due date for payment. Claims against the Issuer in respect of the final redemption amount of Registered Notes will be prescribed unless made within 10 years after the Relevant Date (as defined in Condition 6) for payment thereof.

15. **THE PAYING AGENTS AND THE REGISTRARS**

The initial Paying Agents and Registrars and their respective initial specified offices are specified below.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar, **provided that** it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom), (iv), if, and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and a Registrar in any particular place, a Paying Agent and a Registrar each with a specified office in the place required by such listing authority, stock exchange and/or quotation system, (v) in the circumstances described in Condition 7.1, a Paying Agent with a specified office in New York City and (vi) a Paying Agent in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such directive or similar measures adopted by a number of third countries and territories. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Noteholders.

The Paying Agents and Registrars act solely as agents of the Issuer and, save as provided in the Fiscal Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Noteholder or Couponholder and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Fiscal Agency Agreement or incidental thereto.

16. **REPLACEMENT OF NOTES**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in a particular place, the Paying Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system (if any) on which the relevant Notes have then been admitted to listing, trading and/or quotation, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

17. MEETINGS OF NOTEHOLDERS

The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders of any Series will be binding on all Noteholders of such Series, whether or not they are present at the meeting, and on all Couponholders (if any).

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, holders of Talons or Couponholders, to:

- (a) any modification (except as mentioned in the paragraph above) of the Notes, the Talons, the Coupons or the Fiscal Agency Agreement which in the opinion of the Issuer is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Talons, the Coupons or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, holders of Talons and Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 18 as soon as practicable thereafter.

18. NOTICES

18.1 To Holders of Bearer Notes

Notices to holders of Bearer Notes will, save where another means of effective communication has been specified in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or, in the case of a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein **provided that**, in the case of Notes admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange, the requirements of the UK Listing Authority and the London Stock Exchange have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery to Euroclear and Clearstream, Luxembourg. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to holders of Bearer Notes in accordance with this Condition.

18.2 To Holders of Registered Notes

Notices to holders of Registered Notes will be deemed to be validly given if (a) published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe, on the date of such publication, or (b) sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint holders, to the first named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar or, in the case of a Global Registered Note, to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Any such notice will be deemed to have been validly given on the fourth Business Day after the date of such mailing or, if posted from another country, on the fifth such Business Day.

18.3 To the Issuer

Notices to the Issuer will be deemed to be validly given and received if delivered (by courier or other form of registered mail or by hand) at Carnegieplein 4, 2517 KJ, The Hague, The

Netherlands and clearly marked on their exterior "Urgent Attention: Head of Treasury Department" (or at such other principal office and for such other attention as may have been notified to the Noteholders in the applicable Final Terms or in accordance with this Condition 18) or at the specified office of the Fiscal Agent or, in the case of Registered Notes, the Registrar and will be deemed to have been validly given and received when delivered, or if delivered otherwise than during business hours or on a day on which the Issuer's principal office or, as the case may be, the specified office of the Fiscal Agent or the Registrar is not open for business, at the opening of business on the next day on which the Issuer's principal office or, as the case may be, the specified office of the Fiscal Agent or the Registrar is open for business. In the event that such notice is delivered to the Fiscal Agent or the Registrar, such party shall immediately provide a copy of such notice to the Issuer.

19. **FURTHER ISSUES**

The Issuer may, from time to time without the consent of the Noteholders of any Series, create and issue further Notes, bonds or debentures having the same terms and conditions as the Notes of such Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of such Series.

20. **CURRENCY INDEMNITY**

The Issuer will indemnify any Noteholder or Couponholder against any loss incurred by such Noteholder or Couponholder as a result of any judgment or order by any court for the payment of any amount due in respect of the Notes or the filing of any proof or proofs in the winding up or liquidation of the Issuer being given or made and such judgment, order or filing being expressed in a currency other than the currency in which the Notes are payable and as a result of any variation having occurred in rates of exchange between the date as of which the amount in the currency in which the Notes are payable is converted for such judgment, order or filing and the date of actual payment thereof.

This indemnity shall constitute a separate and independent obligation from the other obligations contained herein, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder from time to time and shall continue in full force and effect notwithstanding any judgment, order or filing. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Noteholder or Couponholder and no proof or evidence of any actual loss shall be required by the Issuer. Nothing in this Condition shall prevent the Issuer from discharging its obligations in respect of any Note or Coupon by making payment in accordance with Condition 7.

21. **WAIVER AND REMEDIES**

No failure to exercise, and no delay in exercising, on the part of any Noteholder, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

22. **EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 14.

23. **SUBSTITUTION OF THE ISSUER**

The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders, be entitled at any time to substitute for the Issuer any other company (the "**Substitute**") as principal debtor in respect of all obligations arising from or in connection with the Notes **provided that** (i) at the time of the substitution the Substitute would be able to fulfil all payment obligations arising from or in connection with the Notes without any taxes or duties being imposed on such payments; (ii) all

action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (iii) the Substitute shall have assumed all obligations arising from or in connection with the Notes and shall have become a party to the Fiscal Agency Agreement, with any consequential amendments; (iv) the obligations of the Substitute in respect of the Notes shall be unconditionally and irrevocably guaranteed by the Issuer; (v) each stock exchange or listing authority on which the Notes are listed shall have confirmed that following the proposed substitution by the Substitute the Notes would continue to be listed on such stock exchange and (vi) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 18.

24. GOVERNING LAW AND JURISDICTION

The Notes, the Fiscal Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Notes, the Fiscal Agency Agreement and the Deed of Covenant are governed by English law, save that the subordinated provisions applicable to Subordinated Notes described in Condition 2.2 shall be governed by and construed in accordance with the laws of The Netherlands.

The Issuer irrevocably agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, (respectively, "**Proceedings**" and "**Disputes**") arising out of or in connection with the Notes (including Proceedings and Disputes relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to NIBC Bank N.V. London branch office at 11th Floor, 125 Old Broad Street, London EC2N 1AR or any other registered office it may have from time to time at which service of process may be served on it in accordance with the Companies Act 2006 (as may be amended or re enacted from time to time). If the appointment of the person mentioned in this Condition 24 ceases to be effective, the Issuer shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent and, failing such appointment within 15 days, the Fiscal Agent shall be entitled to appoint such a person by notice to the Issuer and to the Noteholders in accordance with Condition 18. Notice shall be given directly to the Issuer by the relevant Noteholder of any process served by it in accordance with this Condition 24. Failure to give such notice shall not affect the validity of service of process hereunder. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Noteholders or any of them to take Proceedings or settle Disputes in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings or the settling of Disputes in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law. To the extent that the Issuer may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

25. RIGHTS OF THIRD PARTIES

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

26. ISSUE OF CONVERTIBLE OR EXCHANGEABLE NOTES

Notwithstanding anything contained in these Terms and Conditions, the Issuer shall not issue any convertible or exchangeable Notes under this Programme unless such issue is accompanied by a separate

Offering Circular or Supplement to this Offering Circular which sets out the relevant information in relation to such convertible or exchangeable Notes.

APPLICABLE FINAL TERMS TO THE NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued by NIBC Bank N.V. with a denomination of less than EUR 100,000 under its Euro 20,000,000,000 Programme for the Issuance of Debt Instruments.

Final Terms dated [•]

NIBC BANK N.V.

(Incorporated with limited liability under the laws of The Netherlands
and having its corporate seat in The Hague)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

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

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

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].^{1 2}

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "*Conditions*") set forth in the Offering Circular dated 10 June 2011 (including any supplement thereto) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.

¹ Include this legend where a non-exempt offer of Notes is anticipated.

² Include this legend where only an exempt offer of Notes is anticipated.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). Such Conditions are incorporated by reference in the Offering Circular dated 10 June 2011. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 10 June 2011. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated 10 June 2011. Copies of such Offering Circular and Final Terms are available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.]

The purchase of Notes (and, in particular those Notes linked to one or more Reference Items, as more fully described in the Offering Circular) involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including "Risk Factors" on pages [•] thereof) and this Final Terms.

[The Issuer has not requested any rating agency to give a separate credit rating for the Notes. The rating of the Issuer itself, as may be given and amended from time to time by any rating agency should not be regarded as a rating applicable to the Notes.]

[Insert any specific additional risk factors]

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

By investing in the Notes each investor represents that:

Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.

[Status of Parties. Neither the Issuer nor any of the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

*[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "**significant new factors**" and consequently trigger the need for a supplement to the Offering Circular 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.]*

1. Issuer: NIBC Bank N.V.
2. (i) Series Number: [•]
[(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)]
- (ii) Tranche Number: [•]
3. Specified Currency or Currencies:
4. Aggregate Nominal Amount:
- (i) Series: [•]
- (ii) Tranche: [•]
5. (i) Issue Price [of Tranche]: [•] per cent. of the Aggregate Nominal Amount *[plus accrued interest from [insert date]][if applicable].*
- (ii) Net Proceeds: [•]
- (iii) Other terms related to the method of calculating the Issue Price: [Not Applicable/insert]
6. (a) Specified Denominations: [•]
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)
(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] [100,000] minimum denomination is not required.)
- (b) Calculation Amount: [•]
(If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date (if different from the Issue Date): *[specify/Issue Date/Not Applicable]*
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [•] [(the "**Scheduled Maturity Date**") [subject as provided in Condition [13.4] [./and] [Condition [13.5]] [./and] [Condition [13.6]] [and] [Condition

[13.7]] (Include for Credit Linked Notes)]

9. Interest Basis: [[•] per cent. Fixed Rate]
[Floating Rate] [Specify reference rate – e.g. EUR-LIBOR-BBA etc +/- [•] per cent.]
[Zero Coupon]
[Index Linked Interest]
[Equity Linked Interest]
[Currency Linked Interest]
[Non-interest bearing]
[specify other]
(further particulars specified below)
10. Minimum Interest Amount: [•]/[Not Applicable]
Maximum Interest Amount: [•]/[Not Applicable]
11. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Equity Linked Redemption]
[Credit Linked Redemption]
[Currency Linked Redemption]
[Instalment]
[specify other]
(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
12. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
14. Status of the Notes: [Unsubordinated/Subordinated] [Upper Tier 2 Notes/Lower Tier 2 Notes/Tier 3 Notes]
15. Method of distribution: [Syndicated/Non syndicated]
16. Business Days: [specify]

(N.B. London and Amsterdam are the default Business Days - please specify if Business Days other than London or Amsterdam are applicable for payments/redemptions etc. for a particular issue and, if in such a case, it needs also to be specified that London and Amsterdam will not be applicable)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. Fixed Rate Interest Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
 - (ii) Interest Calculation Amount: [Aggregate Nominal Amount/other – please specify]
 - (iii) Interest Payment Date(s): [•] in each year up to and including the Maturity Date/[specify other][, subject to the Business Day Convention]
- (NB: Please specify if there are long or short coupons)*
- (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
 - (v) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]/Not Applicable]
 - (vi) Fixed Coupon Amount(s): [[•] per Calculation Amount, payable on each Interest Payment Date/Not Applicable]
- (NB: Insert fixed Interest Amounts only if Period End Dates are not adjusted in accordance with the Business Day Convention)*
- (vii) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
- [Insert particulars of any initial or final broken interest amount(s) which do not correspond with the Fixed Coupon Amount and the Interest Payment Date(s) to which they relate/Not Applicable]*
- (viii) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/360 or 30E/360 or specify other]
- [(NB: Actual/Actual (ICMA) is normally appropriate for Fixed Rate Notes except for Fixed Rate Notes denominated in U.S. dollars for which 30/360 is normally appropriate)]*
- (ix) [Determination Date(s): [•] in each year
- (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short*

first or last coupon

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

- (x) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Fixed Rate Notes, if different from those set out in the Conditions: [Not Applicable/Give details]
18. Floating Rate Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Calculation Amount: [Aggregate Nominal Amount/other – please specify]
- (ii) Interest Payment Dates: [•] in each year up to and including the Maturity Date]/[specify other][, subject to the Business Day Convention]
- (NB: Please specify if there are long or short coupons)*
- (iii) First Interest Payment Date [•]
- (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (vi) Manner in which the Rate of Interest (the "**Reference Item**") is to be determined: [Screen Rate Determination]
[ISDA Determination]
[specify other]
- (vii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [[•]/Not Applicable]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this subparagraph (vii))*
- Reference Rate: [•]
- (Either LIBOR, EURIBOR or other, although additional information is required if other – including*

fallback provisions in the Fiscal Agency Agreement)

- Rate Determination Date(s): [•]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)
 - Relevant Screen Page: [•]
(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)
 - (ix) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this subparagraph (viii))
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - (x) Margin(s): [+/-] [•] per cent. per annum
 - (xi) Minimum Rate of Interest: [Not Applicable]/[^] per cent. per annum
 - (xii) Maximum Rate of Interest: [Not Applicable]/ [•] per cent. per annum
 - (xiii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
Actual/Actual (ICMA)
30/360
30E/360
Bond Basis
30E/360 (ISDA)
Other]
(See Condition 4 for alternatives)
 - (xiv) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
19. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [•] per cent. per annum

- (ii) Reference Price: [•]
- (iii) Any other formula/basis of determining amount payable: [•]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.7 (c) and [- *Late Payment on Zero Coupon Notes*] apply/specify other]
20. Index Linked Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index or Indices (the "**Reference Item**"): [Give or annex details]
- (ii) Exchange, Related Exchange and Index Sponsor: [Give or annex details]
- (iii) All Exchanges: Applicable/Not Applicable
- (iv) Formula for the calculation of Interest: [Give or annex details]
- (v) Valuation Date(s): [•]
- (vi) Valuation Time: [Scheduled Closing Time/specify other]
- (vii) Interest Calculation Amount: [Aggregate Nominal Amount]/[•]/[Not Applicable]
- (viii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (ix) Provisions for determining Interest Amount where calculation by reference to Index and/or Formula is impossible or impracticable: *[include a description of market disruption or settlement disruption events and adjustment provisions. Condition 10 indicates that if the value of the Index cannot be calculated on the "Valuation Date" because it's a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date. Further, if there is an Adjustment to the Index, adjustments will be made by the Calculation Agent.]*
- (x) Additional Disruption Events: [Applicable/Not Applicable][*If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.*]
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]

	• Increased Cost of Hedging:	[Applicable/Not Applicable]
	• Increased Cost of Stock Borrow:	[Applicable/Not Applicable]
	• Loss of Stock Borrow:	[Applicable/Not Applicable]
(xi)	Initial Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xii)	Maximum Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xiii)	Interest Payment Dates:	[•] in each year up to and including the Maturity Date]/[specify other][, subject to the Business Day Convention] <i>(NB: Please specify if there are long or short coupons)</i>
(xiv)	Period End Dates	[•] in each year [as adjusted/unadjusted], in accordance with the Business Day Convention.
(xv)	Correction of Index Levels	[Applicable/Not Applicable]
(xvi)	Correction Cut-Off Date	[•]
(xvii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
(xviii)	Minimum Rate of Interest:	[Not Applicable] [[•] per cent. per annum]
(xix)	Maximum Rate of Interest:	[Not Applicable] [[•] per cent. per annum]
(xx)	Day Count Fraction:	[•]/[Not Applicable]
(xxi)	Others terms or special conditions:	[•]
21.	Equity Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete remaining sub-paragraphs of this paragraph)</i>
(i)	Details of the basket of equity securities or the single equity security (each an " Underlying Equity ") to which the Note relates (the " Reference Item ") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an " Equity Issuer "):	[Give or annex details]
(ii)	Exchange and Related Exchange:	[•]
(iii)	All Exchanges:	[Give or annex details]

(iv)	Formula for calculating interest:	[Applicable/Not Applicable]
(v)	Valuation Date(s):	[Give or annex details]
(vi)	Valuation Time:	[•]
(vii)	Provisions for determining Interest Amount where calculation by reference to Underlying Equity and/or Formula is impossible or impracticable:	[Scheduled Closing Time/specify other]
(viii)	Additional Disruption Events:	[Applicable/Not Applicable][<i>If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.</i>]
	• Change in Law:	[Applicable/Not Applicable]
	• Hedging Disruption:	[Applicable/Not Applicable]
	• Increased Cost of Hedging:	[Applicable/Not Applicable]
	• Increased Cost of Stock Borrow:	[Applicable/Not Applicable]
	• Loss of Stock Borrow:	[Applicable/Not Applicable]
(ix)	Initial Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(x)	Maximum Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xi)	Interest Calculation Amount	[Aggregate Nominal Amount/[•]/Not Applicable]
(xii)	Interest Payment Dates:	[•] in each year up to and including the Maturity Date/[<i>specify other</i>][, subject to the Business Day Convention] <i>(NB: Please specify if there are long or short coupons)</i>
(xiii)	Period End Dates:	[•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
(xiv)	Correction of Share Prices	[Applicable/Not Applicable]
(xv)	Correction Cut-Off Date	[•]
(xvi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ <i>specify other</i>]
(xvii)	Minimum Rate of Interest:	[Not Applicable] [•]
(xviii)	Maximum Rate of Interest:	[Not Applicable] [•]
(xix)	Day Count Fraction:	[Not Applicable] [•]

- (xx) Exchange Rate: [Applicable/Not Applicable – *and give details*]
See definition of "Reference Price" in Condition 11.
- (xxi) Disrupted Day [Applicable/Not Applicable] *See definition of "Valuation Date" in Condition 11.4*
- (xxii) Other terms or special conditions: [•] *Include details of any Additional Disruption Events and the consequences thereof.*
22. Currency Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Formula for calculating interest rate including fall back and rounding provisions: [Give or annex details and include a definition of what the "Reference Item" is]
- (ii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (iii) Interest Payment Dates: [•] in each year up to and including the Maturity Date]/[specify other][, subject to the Business Day Convention]
(NB: Please specify if there are long or short coupons)
- (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vi) Minimum Rate of Interest: [Not Applicable] [•]
- (vii) Maximum Rate of Interest: [Not Applicable] [•]
- (viii) Day Count Fraction: [Not Applicable] [•]
- (ix) Other terms or special conditions: [•]

PROVISIONS RELATING TO REDEMPTION

23. Issuer Call (as per Condition 8.3): [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount of each Note and method, if any, of [•] per Calculation Amount

- calculation of such amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount per Specified Denomination: [•]
- (b) Maximum Redemption Amount per Specified Denomination: [•]
- (iv) Notice Period: [•]/[•] days prior to the Optional Redemption Date(s)]
24. Investor Put (as per Condition 8.5): [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•]
- (iii) Notice Period: [•]/[•] days prior to the Optional Redemption Date(s)]
25. Final Redemption Amount of each Note: [[•] per Calculation Amount/specify other/see Appendix }
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
26. Early Redemption Amount of each Note payable on redemption for taxation reasons, redemption for illegality, redemption following a Hedging Event or on event of default (or, in the case of Index Linked Redemption Notes, following an Index Adjustment Event in accordance with Condition 10.2(b) or an Additional Disruption Event in accordance with Condition 12.1, or, in the case of Equity Linked Redemption Notes, following certain corporate events in accordance with Condition 11.2(b) or an Additional Disruption Event in accordance with Condition 12.1(b), or, in the case of Credit Linked Notes, following a Merger Event (if applicable)) and/or the method of calculating the same (if required or if different from that set

out in Condition 8.8):

27. Currency Linked Redemption Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not applicable]
- (ii) Relevant provisions for determining the Redemption Amount: [•]
28. Index Linked Redemption Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Details of the basket of indices or the single index to which the Note relates (the "**Reference Item**") and the identity of the relevant Index/Indices and details of the relevant sponsors: [Basket of Indices/Single Index]
[[*Give or annex details*)]
- (ii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (iii) Exchange(s): [•]
- (iv) Related Exchange(s): [[•]/All Exchanges]
- (v) Redemption Amount per Specified Denomination/formula for calculating Redemption Amount: *[An amount calculated as follows: [•]] please express per lowest Specified Denomination*
- (vi) Valuation Date: [•]
- (vii) Valuation Time: [Scheduled Closing Time]/ [•]
- (viii) Provisions for determining Redemption Amount where calculation by reference to Index and/or Formula is impossible or impracticable: *[Include a description of market disruption or settlement disruption events and adjustment provisions. Condition 10 indicates that if the value of the Index cannot be calculated on the "Valuation Date" because it is a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date. Further, if there is an Adjustment to the Index, adjustments will be made by the Calculation Agent. Amendments may be required if there are a series of "Averaging Dates" used to determine a final price for the Index.]*

(ix)	Additional Disruption Events:	[Applicable/Not Applicable][<i>If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.</i>]
	• Change in Law:	[Applicable/Not Applicable]
	• Hedging Disruption:	[Applicable/Not Applicable]
	• Increased Cost of Hedging:	[Applicable/Not Applicable]
	• Increased Cost of Stock Borrow:	[Applicable/Not Applicable]
	• Loss of Stock Borrow:	[Applicable/Not Applicable]
(x)	Initial Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xi)	Maximum Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xii)	Multiplier for each Index comprising the basket:	[<i>Insert details of the weighting each Index carries, when dealing with Index Basket Transactions, if such term is used in the formula for calculating Redemption Amounts/ Not Applicable</i>]
(xiii)	Correction of Index Levels	[Applicable/Not Applicable]
(xiv)	Correction Cut-Off Date	[•]
(xv)	Other terms or special conditions:	[•]
29.	Equity Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Details of the basket of equity securities or the single equity security (each an " Underlying Equity ") to which the Note relates (the " Reference Item ") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an " Equity Issuer "):	[Basket of Underlying Equities/Single Equity] [<i>Give or annex details</i>]
(ii)	Method of Settlement:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] <i>(If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)</i>
(iii)	Delivery Date:	[Maturity Date/other – <i>please specify</i>] <i>Only applicable to Physical Settlement</i>

- (iv) Redemption Amount per Specified Denomination/formula for calculating Redemption Amount: [An amount calculated as follows: [•]] – *please express per lowest Specified Denomination*
Where *Physical Settlement* is applicable, please define "Asset Amount" here.
- (v) Party responsible for calculating the Redemption Amount (if not the Calculation Agent): [•]/[Not applicable]
- (vi) Party responsible for delivery of the Redemption Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (vii) Exchange(s): [•]
- (viii) Related Exchange(s): [•/All Exchanges]
- (ix) Potential Adjustment Events: [Applicable/Not Applicable]
- (x) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (xi) Tender Offer: [Applicable/Not Applicable]
- (xii) Valuation Date: [•]
- (xiii) Valuation Time: [Scheduled Closing Time/*other- please specify*]
- (xiv) Exchange Rate: [Applicable/Not Applicable] *See definition of "Reference Price" at Condition 11.*
[Insert details]
- (xv) Disrupted Day [Applicable/Not applicable] *See definition of "Valuation Date" in Condition 11.4*
- (xvi) Provisions for determining Redemption Amount where calculation by reference to Underlying Equity and/or Formula is impossible or impracticable: [Include a description of market disruption or settlement disruption events and adjustment provisions. Condition 11 indicates that if the value of the Underlying Equity cannot be calculated on the "Valuation Date" because it's a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date.]
- (xvii) Additional Disruption Events: [Applicable/Not Applicable][*If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.*]
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]
 - Increased Cost of Hedging: [Applicable/Not Applicable]
 - Increased Cost of Stock Borrow: [Applicable/Not Applicable]

- Insolvency Filing: [Applicable/Not Applicable]
 - Loss of Stock Borrow: [Applicable/Not Applicable]
- (xviii) Initial Stock Loan Rate: [•][*Only applicable if Additional Disruption Events are specified as being applicable*]
- (xix) Maximum Stock Loan Rate: [•][*Only applicable if Additional Disruption Events are specified as being applicable*]
- (xx) Multiplier for each Underlying Equity comprising the basket: [Insert details/Not Applicable]
- (xxi) Cut-off Date: [*Only applicable for Physical Delivery – please specify the date by which Noteholders must deliver an Asset Transfer Notice in order to obtain the Redemption Amount*]
- (xxii) Correction of Share Prices: [Applicable/Not Applicable]
- (xxiii) Correction Cut-Off Date: [•]
- (xxiv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions: [*Only applicable for Physical Delivery*]
- (xxv) Trade Date: [Please specify for the purposes of Condition 11.2]
- (xxvi) Other terms or special conditions: [•] *Include details of any Additional Disruption Events and the consequences thereof.*
30. Credit Linked Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Redemption Amount per Specified Denomination: [An amount calculated as follows: [•] /in accordance with Condition 13.1]
- (ii) Scheduled Maturity Date [Please specify]
- (iii) Trade Date: [•]
- (iv) Calculation Agent responsible for making calculations and determinations in relation to the Redemption Amount: [•]
- (v) Party responsible for delivering the Redemption Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (vi) Calculation Agent City: [•]
- (vii) Reference Entity (/Entities) (the "Reference Item(s)": [•]

- (viii) Reference Obligation(s): [•]/
 [The obligation[s] identified as follows:
 Primary Obligor: [•]
 Guarantor: [•]
 Maturity: [•]
 Coupon: [•]
 ISIN: [•]]
- (ix) All Guarantees: [Applicable/Not Applicable]
- (x) Credit Events: [Bankruptcy]
 [Failure to Pay]
 [Grace Period Extension [Applicable/Not Applicable]
 [If Applicable:
 Grace Period: [•]]
 [Obligation Default]
 [Obligation Acceleration]
 [Repudiation/Moratorium]
 [Restructuring]
- Provisions relating to Restructuring Credit Event:
 Condition 13.14 [Applicable/Not Applicable]
 - Provisions relating to Multiple Holder Obligation:
 Condition 13.16 [Applicable/Not Applicable]
 - [Restructuring Maturity Limitation and Fully
 Transferable Obligation [Applicable/Not
 Applicable]]
 - [Modified Restructuring Maturity Limitation and
 Conditionally Transferable Obligation
 [Applicable/Not Applicable]]
- [*other*]
- (xi) Default Requirement: [•]
- (xii) Payment Requirement: [•]
- (xiii) Conditions to Settlement: Credit Event Notice [If Applicable Notice of Physical
 Delivery]
 Notice of Publicly Available Information
 [Applicable/Not Applicable]
 [If Applicable:

- Public Source(s): [•]
Specified Number: [•]
- (xiv) Obligation(s):
Obligation Category [Payment]
[select one only]: [Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]
Obligation Characteristics [Not Subordinated]
[select all of which apply]: [Specified Currency:
[specify currency] [Standard Specified Currencies]]
[Not Sovereign Lender]
[Not Domestic Currency]
[Domestic Currency means: [specify currency]]
[Not Domestic Law]
[Listed]
[Not Domestic Issuance]
Additional Obligation(s): [•]
- (xv) Excluded Obligation(s): [•]
- (xvi) Method of Settlement: [Cash Settlement/Physical Delivery/Auction Settlement]
- (xvii) Fallback Settlement Method: [Cash Settlement/Physical Delivery]
(N.B. Only applicable if Auction Settlement is selected in paragraph (xviii) above. If no Fallback Settlement Method is specified, it is deemed to be "**Cash Settlement**")
- (xviii) Accrual of Interest until Credit Event: [Applicable/Not Applicable]
- (xix) Provisions relating to Restructuring Credit Event: Condition 13.14 [Applicable/Not Applicable]
- (xx) Unwind Costs: [Standard Unwind Costs/other/Not Applicable]
(N.B. If Standard Unwind Costs is specified, ensure that the definitions of Swap Unwind Amount and Swap Transaction correctly reflect Issuer's hedging arrangements)

Terms relating to Cash Settlement (Including the information below if the Fallback Settlement Method is Cash Settlement)

- (xxi) Cash Settlement Amount: [Express per lowest Specified Denomination]
- (xxii) Cash Settlement Date: [•] Business Days
- (xxiii) Valuation Date: [Single Valuation Date:
[•] Business Days
[Multiple Valuation Dates:
[•] Business Days; and each [•]
Business Days thereafter.
Number of Valuation Dates: [•]]
- (xxiv) Valuation Time: [•]
- (xxv) Quotation Method: [Bid/Offer/Mid-market]
- (xxvi) Quotation Amount: [[•]/Representative Amount]
- (xxvii) [Minimum Quotation Amount: [•]]
- (xxviii) Quotation Dealers: [•]
- (xxix) Quotations: [Include Accrued Interest/Exclude Accrued Interest]
- (xxx) Valuation Method: [Market/Highest]
[Average Market/Highest/Average Highest]
[Blended Market/Blended Highest]
[Average Blended Market/Average Blended Highest]
- (xxxi) Other terms or special conditions: [•]

Terms relating to Physical Delivery (Including the information below if the Fallback Settlement Method is Physical Delivery)

- (xxxii) Physical Delivery Period: [•] Business Days
- (xxxiii) Asset Amount: [Include Accrued Interest/Exclude Accrued Interest]
- (xxxiv) Settlement Currency: [•]
- (xxxv) Deliverable Obligations:
Deliverable Obligation Category [Payment]
[select one only]: [Borrowed Money]
[Reference Obligations Only]
[Bond]

		[Loan]
		[Bond or Loan]
Deliverable Obligation Characteristics		[Not Subordinated]
[select all of which apply]:		[Specified Currency:
		[specify currency] [Standard Specified Currencies]
		[Not Sovereign Lender]
		[Not Domestic Currency]
		[" Domestic Currency " means: [specify currency]]
		[Not Domestic Law]
		[Listed]
		[Not Contingent]
		[Not Domestic Issuance]
		[Assignable Loan]
		[Consent Required Loan]
		[Direct Loan Participation]
		[Qualifying Participation Seller: – insert details]
		[Transferable]
		[Maximum Maturity:
		[•]]
		[Accelerated or Matured]
		[Not Bearer]
	Additional Deliverable Obligation(s):	[•]
(xxxvi)	Excluded Deliverable Obligation(s):	[•]
(xxxvii)	Indicative Quotations:	[Applicable/Not Applicable]
(xxxviii)	Cut-off Date:	[•]
(xxxix)	Delivery provisions for Asset Amount:	[•] (including details of who is to make such delivery if different from Terms and Conditions)
(xl)	Other terms or special conditions:	[•]
31.	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	[Not Applicable/give details]

(ii) Instalment Date(s): [Not Applicable/give details]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

32. Form of Notes:

(i) Form: [Bearer Notes

Temporary [Bearer] Global Note exchangeable for a Permanent [Bearer] [Registered] Global Note/Certificate which is exchangeable for Definitive Notes/Certificate [on 30 days' notice given at any time/only upon an Exchange Event]]

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

[Permanent [Bearer] Global Note exchangeable for Definitive Notes [on 30 days' notice given at any time/only upon an Exchange Event]]

For the purpose of the above, "**Exchange Event**" shall have the meaning specified in the Terms and Conditions of the Notes

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)³

[Registered Notes

Individual Note Certificate

Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note

[and

nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))⁴.

³ Delete if the Notes are being issued in registered form.

⁴ Include if the Notes are to be held under the New Safekeeping Structure.

- (ii) New Global Note: [Yes][No]
33. Relevant Financial Centre for the payment of amounts into the accounts of Holders electing not to be paid by cheque: [Not Applicable/*Give details*/To be notified to the Fiscal Agent by the relevant Holder(s) as appropriate]
34. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
35. Calculation Agent: [•]
36. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details. NB: new forms of Global Note may be required for Partly Paid issues.*]
37. Redenomination applicable: Redenomination [not] applicable
[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]
38. Notices to the Issuer: *[Insert notice details for delivery of notices to the Issuer if specific notice details are required]*
39. Other final terms: [Not Applicable/*give details*]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)
40. Costs of Issue
- (i) Costs borne by purchasers of Notes: *[give details]*
- (ii) Commission paid to intermediaries: *[give details]*
- (iii) Other costs: *[give details]*
41. Effective yield of the Notes: [[•] per cent./method of calculating effective yield]

DISTRIBUTION

42. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names and addresses and underwriting commitments*]
(Include names and addresses of entities agreeing to

underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
43. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
44. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
45. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
46. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names [and addresses of other financial intermediaries involved in the offer, if applicable]] (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 Offering Circular 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 10 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.)*
47. 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] [admission to trading on [specify relevant regulated market and, if relevant, to admission to an official list] of the Notes described herein] pursuant to the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments of NIBC Bank N.V.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

[The information (the "**Reference Information**") on the Reference Item(s) is more particularly described in the Annex hereto. The Reference Information consists only of extracts from, or summaries of, information which is publicly available. Information about the identity of the Reference Item, the stock exchange where such Reference Item is listed or if not listed the financial statements of such Reference Item should be available with the Paying Agent in London. The Issuer accepts responsibility that the Reference Information has been correctly extracted or summarised. So far as the Issuer is aware and is able to ascertain from the Reference Information, no facts have been omitted which would render such reproduced information inaccurate or misleading. No further or other responsibility (express or implied) in respect of the Reference Information is accepted by the Issuer⁵.]

⁵ to be deleted if the annex does not contain Reference Information as appropriate in relation to each Tranche.

PART B – OTHER INFORMATION

1. LISTING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•].]
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•].]
[Not Applicable]

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [•]]
[Moody's: [•]]
[Fitch: [•]]
[[Other]: [•]]
[Not Applicable]

[This credit rating has/These credit ratings have] been issued by [full name of legal entity/entities which has/have given the rating].

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

[Include here a brief explanation of the meaning of the ratings if this has previously been published by the

rating provider.]

(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

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

[(i) Reasons for the offer: [•]

(See ["Use of Proceeds"] wording in Offering Circular — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: [•]

(Also see "Use of Proceeds" wording in Offering Circular - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. 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.)

[(iii) Estimated total expenses:

[•]. *[Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]*

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) 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 (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

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

Indication of yield: [•]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

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

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

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

7. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE**

OF INVESTMENT AND ASSOCIATED RISKS (*Index-Linked Interest Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula 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.]

[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. Where the underlying is not an index need to include equivalent information.]

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

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates 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.]

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

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

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Other Relevant Code [Not Applicable/give number]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agent(s): [Citibank, N.A.
14th Floor, Citigroup Centre 2
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[•]

- | | | |
|-------|---|---|
| (vi) | Names and addresses of additional Paying Agent(s) (if any): | [•] |
| (vii) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes/No][Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee for one of the ICSDs acting as common safekeeper.] <i>[include this text for Global Registered Notes]</i> and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] <i>[include this text if "yes" selected in which case Bearer Notes must be issued in NGN form]</i> |

10. **TERMS AND CONDITIONS OF THE OFFER**

- | | |
|--|--|
| Offer Price: | [Issue Price][<i>specify</i>] |
| [Conditions to which the offer is subject:] | [Not applicable/ <i>give details</i>] |
| [Description of the application process:] | [Not applicable/ <i>give details</i>] |
| [Details of the minimum and/or maximum amount of application:] | [Not applicable/ <i>give details</i>] |
| [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] | [Not applicable/ <i>give details</i>] |
| [Details of the method and time limits for paying up and delivering the Notes:] | [Not applicable/ <i>give details</i>] |
| [Manner in and date on which results of the offer are to be made public:] | [Not applicable/ <i>give details</i>] |
| [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not applicable/ <i>give details</i>] |
| [Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:] | [Not applicable/ <i>give details</i>] |
| [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] | [Not applicable/ <i>give details</i>] |
| [Amount of any expenses and taxes specifically charged to the subscriber] | [Not applicable/ <i>give details</i>] |

or purchaser:]

APPLICABLE FINAL TERMS TO THE NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued by NIBC Bank N.V. with a denomination of at least EUR 100,000 under its EUR 20,000,000,000 Programme for the Issuance of Debt Instruments.

Final Terms dated [•]

NIBC BANK N.V.

*(Incorporated with limited liability under the laws of The Netherlands
and having its corporate seat in The Hague)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "**Conditions**") set forth in the Offering Circular dated 10 June 2011 (including any supplement thereto) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). Such Conditions are incorporated by reference in the Offering Circular dated 10 June 2011. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 10 June 2011. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated 10 June 2011. Copies of such Offering Circular and Final Terms are available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.]

The purchase of Notes (and, in particular those Notes linked to one or more Reference Items, as more fully described in the Offering Circular) involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including "Risk Factors" on pages 11-20 thereof) and this Final Terms.

[The Issuer has not requested any rating agency to give a separate credit rating for the Notes. The rating of the Issuer itself, as may be given and amended from time to time by any rating agency should not be regarded as a rating applicable to the Notes.]

[Insert any specific additional risk factors]

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

By investing in the Notes each investor represents that:

Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.

[Status of Parties. Neither the Issuer nor any of the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular 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.]

1. Issuer: NIBC Bank N.V.
2. (i) Series Number: [•]
(ii) Tranche Number: [•]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies:
4. Aggregate Nominal Amount:
 - (i) Series: [•]
 - (ii) Tranche: [•]
5. (i) Issue Price [of Tranche]: [•] per cent. of the Aggregate Nominal Amount *[plus accrued interest from [insert date][if applicable].*
(ii) Net Proceeds: [•]
(iii) Other terms related to the method of calculating the Issue Price: [Not Applicable/insert]
6. (a) Specified Denominations: [•]
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) *(Note — where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:*

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].⁶)"

(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] [100,000] minimum denomination is not required.)

- (b) Calculation Amount: [•]
- (If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date (if different from the Issue Date): [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: [•] [(the "**Scheduled Maturity Date**") [subject as provided in Condition [13.4] [,/and] [Condition [13.5]] [,/and] [Condition [13.6]] [and] [Condition [13.7]] (Include for Credit Linked Notes)]]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [Floating Rate] [Specify reference rate — e.g. EUR-LIBOR-BBA etc +/- [•] per cent.]
- [Zero Coupon]
- [Index Linked Interest]
- [Equity Linked Interest]
- [Currency Linked Interest]
- [Non-interest bearing]
- [specify other]
- (further particulars specified below)
10. Minimum Interest Amount: [•]/[Not Applicable]
- Maximum Interest Amount: [•]/[Not Applicable]
11. Redemption/Payment Basis: [Redemption at par]

⁶ Delete if notes being issued are in registered form.

[Index Linked Redemption]

[Equity Linked Redemption]

[Credit Linked Redemption]

[Currency Linked Redemption]

[Instalment]

[specify other]

(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

12. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
13. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
14. Status of the Notes: [Unsubordinated/Subordinated] [Upper Tier 2 Notes/Lower Tier 2 Notes/Tier 3 Notes]
15. Method of distribution: [Syndicated/Non syndicated]
16. Business Days: [specify]

(N.B. London and Amsterdam are the default Business Days - please specify if Business Days other than London or Amsterdam are applicable for payments/redemptions etc. for a particular issue and, if in such a case, it needs also to be specified that London and Amsterdam will not be applicable)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. Fixed Rate Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
- (ii) Interest Calculation Amount: [Aggregate Nominal Amount/other - please specify]
- (iii) Interest Payment Date(s): [•] in each year up to and including the Maturity Date/[specify other][, subject to the Business Day Convention]

(NB: Please specify if there are long or short coupons)

- (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business Day Convention.
- (v) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]/Not Applicable]
- (vi) Fixed Coupon Amount(s): [[•] per Calculation Amount, payable on each Interest Payment Date/Not Applicable]
(Applicable to Notes in definitive form.)
- (NB: Insert fixed Interest Amounts only if Period End Dates are not adjusted in accordance with the Business Day Convention)*
- (vii) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
(Applicable to Notes in definitive form.)
- [Insert particulars of any initial or final broken interest amount(s) which do not correspond with the Fixed Coupon Amount and the Interest Payment Date(s) to which they relate/Not Applicable]*
- (viii) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/360 or 30E/360 or specify other]
- [(NB: Actual/Actual (ICMA) is normally appropriate for Fixed Rate Notes except for Fixed Rate Notes denominated in U.S. dollars for which 30/360 is normally appropriate)]*
- (ix) [Determination Date(s): [•] in each year
- (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]*
- (x) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Fixed Rate Notes, if different from those set out in the Conditions: [Not Applicable/Give details]
18. Floating Rate Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Calculation Amount: [Aggregate Nominal Amount/other - please specify]

- (ii) Interest Payment Dates: [•] in each year up to and including the Maturity Date]/[specify other][, subject to the Business Day Convention]
- (NB: Please specify if there are long or short coupons)*
- (iii) First Interest Payment Date [•]
- (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (vi) Manner in which the Rate of Interest (the "**Reference Item**") is to be determined: [Screen Rate Determination]
[ISDA Determination]
[specify other]
- (vii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [[•]/Not Applicable]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this subparagraph (vii))*
- Reference Rate: [•]
- (Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Fiscal Agency Agreement)*
- Rate Determination Date(s): [•]
- (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)*
- Relevant Screen Page: [•]
- (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)*
- (xii) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this subparagraph (viii))*
- Floating Rate Option: [•]

- Designated Maturity: [•]
- Reset Date: [•]
- (xvi) Margin(s): [+/-] [•] per cent. per annum
- (xvi) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum]
- (xvii) Maximum Rate of Interest: [Not Applicable]/ [•] per cent. per annum]
- (xviii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
Actual/Actual (ICMA)
30/360
30E/360
Bond Basis
30E/360 (ISDA)
Other]
- (See Condition 4 for alternatives)
- (xxiv) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
19. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Any other formula/basis of determining amount payable: [•]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 8.7 (c) and [- Late Payment on Zero Coupon Notes] apply/specify other]
20. Index Linked Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Index or Indices (the "Reference Item"): [Give or annex details]

- (ii) Exchange, Related Exchange and Index Sponsor: [Give or annex details]
- (iii) All Exchanges: Applicable/Not Applicable
- (iv) Formula for the calculation of Interest: [Give or annex details]
- (v) Valuation Date(s): [•]
- (vi) Valuation Time: [Scheduled Closing Time/specify other]
- (vii) Interest Calculation Amount: [Aggregate Nominal Amount]/[•]/[Not Applicable]
- (viii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (ix) Provisions for determining Interest Amount where calculation by reference to Index and/or Formula is impossible or impracticable: *[include a description of market disruption or settlement disruption events and adjustment provisions. Condition 10 indicates that if the value of the Index cannot be calculated on the "Valuation Date" because it's a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date. Further, if there is an Adjustment to the Index, adjustments will be made by the Calculation Agent.]*
- (x) Additional Disruption Events: [Applicable/Not Applicable]*[If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.]*
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]
 - Increased Cost of Hedging: [Applicable/Not Applicable]
 - Increased Cost of Stock Borrow: [Applicable/Not Applicable]
 - Loss of Stock Borrow: [Applicable/Not Applicable]
- (xi) Initial Stock Loan Rate: [•]*[Only applicable if Additional Disruption Events are specified as being applicable]*
- (xii) Maximum Stock Loan Rate: [•]*[Only applicable if Additional Disruption Events are specified as being applicable]*
- (xiii) Interest Payment Dates: [•] in each year up to and including the Maturity Date]*[specify other]*[, subject to the Business Day Convention]
- (NB: Please specify if there are long or short coupons)]*
- (xiv) Period End Dates [•] in each year [as adjusted/unadjusted], in accordance with the Business Day Convention.

- (xv) Correction of Index Levels: [Applicable/Not Applicable]
- (xvi) Correction Cut-Off Date: [•]
- (xvii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (xviii) Minimum Rate of Interest: [Not Applicable] [[•] per cent. per annum]
- (xix) Maximum Rate of Interest: [Not Applicable] [[•] per cent. per annum]
- (xx) Day Count Fraction: [•]/[Not Applicable]
- (xxi) Others terms or special conditions: [•]
21. Equity Linked Interest Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete remaining sub-paragraphs of this paragraph)*
- (i) Details of the basket of equity securities or the single equity security (each an "**Underlying Equity**") to which the Note relates (the "**Reference Item**") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an "**Equity Issuer**"): [Give or annex details]
- (ii) Exchange and Related Exchange: [•]
- (iii) All Exchanges: [Give or annex details]
- (iv) Formula for calculating interest: [Applicable/Not Applicable]
- (v) Valuation Date(s): [Give or annex details]
- (vi) Valuation Time: [•]
- (vii) Provisions for determining Interest Amount where calculation by reference to Underlying Equity and/or Formula is impossible or impracticable: [Scheduled Closing Time/*specify other*]
- (xvii) Additional Disruption Events: [Applicable/Not Applicable][*If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.*]
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]

	• Increased Cost of Hedging:	[Applicable/Not Applicable]
	• Increased Cost of Stock Borrow:	[Applicable/Not Applicable]
	• Loss of Stock Borrow:	[Applicable/Not Applicable]
(xviii)	Initial Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(xix)	Maximum Stock Loan Rate:	[•][<i>Only applicable if Additional Disruption Events are specified as being applicable</i>]
(viii)	Interest Calculation Amount:	[Aggregate Nominal Amount/[•]/Not Applicable]
(ix)	Interest Payment Dates:	[•] in each year up to and including the Maturity Date/[<i>specify other</i>], subject to the Business Day Convention (NB: Please specify if there are long or short coupons)]
(x)	Period End Dates:	[•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
(xi)	Correction of Share Prices:	[Applicable/Not Applicable]
(xii)	Correction Cut-Off Date:	[•]
(xiii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
(xiv)	Minimum Rate of Interest:	[Not Applicable] [•]
(xv)	Maximum Rate of Interest:	[Not Applicable] [•]
(xvi)	Day Count Fraction:	[Not Applicable] [•]
(xvii)	Exchange Rate:	[Not Applicable] [•]
(xviii)	Disrupted Day	[Applicable/Not Applicable] See definition of " <i>Valuation Date</i> " in Condition 11.4
(xix)	Other terms or special conditions:	[•] Include details of any Additional Disruption Events and the consequences thereof.
22.	Currency Linked Interest Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Formula for calculating interest rate including fall back and rounding provisions:	[Give or annex details and include a definition of what the " <i>Reference Item</i> " is]
(ii)	Party responsible for calculating the Rate of Interest and Interest Amount	[•]/[Not Applicable]

- (if not the Calculation Agent):
- (iii) Interest Payment Dates: [•] in each year up to and including the Maturity Date]/[specify other][, subject to the Business Day Convention]

(NB: Please specify if there are long or short coupons)
 - (iv) Period End Dates: [•] in each year [as adjusted/unadjusted], in accordance with the Business day Convention.
 - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
 - (vi) Minimum Rate of Interest: [Not Applicable] [•]
 - (vii) Maximum Rate of Interest: [Not Applicable] [•]
 - (viii) Day Count Fraction: [Not Applicable] [•]
 - (ix) Other terms or special conditions: [•]

PROVISIONS RELATING TO REDEMPTION

- 23. Issuer Call (as per Condition 8.3): [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount per Specified Denomination: [•]
 - (b) Maximum Redemption Amount per Specified Denomination: [•]
- (iv) Notice Period: [•]/[[•] days prior to the Optional Redemption Date(s)]
- 24. Investor Put (as per Condition 8.5): [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]

- (ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•]
- (iii) Notice Period: [•]/[•] days prior to the Optional Redemption Date(s)]
25. Final Redemption Amount of each Note: [[•] per Calculation Amount/specify other/see Appendix]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
26. Early Redemption Amount of each Note payable on redemption for taxation reasons, redemption for illegality, redemption following a Hedging Event or on event of default (or, in the case of Index Linked Redemption Notes, following an Index Adjustment Event in accordance with Condition 10.2(b) or an Additional Disruption Event in accordance with Condition 12.1, or, in the case of Equity Linked Redemption Notes, following certain corporate events in accordance with Condition 11.2(b) or an Additional Disruption Event in accordance with Condition 12.1(b), or, in the case of Credit Linked Notes, following a Merger Event (if applicable)) and/or the method of calculating the same (if required or if different from that set out in Condition 8.8): [[•] per Calculation Amount/specify other/see Appendix]
27. Currency Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not applicable]
- (ii) Relevant provisions for determining the Redemption Amount: [•]
28. Index Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Details of the basket of indices or the single index to which the Note relates (the "**Reference Item**") and the identity of the relevant Index/Indices and details of the relevant sponsors: [Basket of Indices/Single Index]
[(Give or annex details)]
- (ii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (iii) Exchange(s): [•]
- (iv) Related Exchange(s): [[•]/All Exchanges]
- (v) Redemption Amount per Specified Denomination/ formula for calculating Redemption Amount: [An amount calculated as follows: [•]] please express per lowest Specified Denomination
- (vi) Valuation Date: [•]
- (vii) Valuation Time: [Scheduled Closing Time]/[•]
- (viii) Provisions for determining Redemption Amount where calculation by reference to Index and/or Formula is impossible or impracticable: [Include a description of market disruption or settlement disruption events and adjustment provisions. Condition 10 indicates that if the value of the Index cannot be calculated on the "Valuation Date" because it is a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date. Further, if there is an Adjustment to the Index, adjustments will be made by the Calculation Agent. Amendments may be required if there are a series of "Averaging Dates" used to determine a final price for the Index.]
- (ix) Additional Disruption Events: [Applicable/Not Applicable][If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.]
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]
 - Increased Cost of Hedging: [Applicable/Not Applicable]
 - Increased Cost of Stock Borrow: [Applicable/Not Applicable]
- Loss of Stock Borrow: [Applicable/Not Applicable]
- (x) Initial Stock Loan Rate: [•][Only applicable if Additional Disruption Events are specified as being applicable]
- (xi) Maximum Stock Loan Rate: [•][Only applicable if Additional Disruption Events are specified as being applicable]

- (xii) Multiplier for each Index comprising the basket: *[Insert details of the weighting each Index carries, when dealing with Index Basket Transactions, if such term is used in the formula for calculating Redemption Amounts / Not Applicable]*
- (xiii) Correction of Index Levels: [Applicable/Not Applicable]
- (xiv) Correction Cut-Off Date: [•]
- (xv) Other terms or special conditions: [•]
29. Equity Linked Redemption Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Details of the basket of equity securities or the single equity security (each an "Underlying Equity") to which the Note relates (the "Reference Item") and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an "Equity Issuer"):
- [Basket of Underlying Equities/Single Equity]
[Give or annex details]
- (ii) Method of Settlement: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
- (If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*
- (iii) Delivery Date: [Maturity Date/other — please specify]
- Only applicable to Physical Settlement*
- (iv) Redemption Amount per Specified Denomination/ formula for calculating Redemption Amount: [An amount calculated as follows: 1] — please express per lowest Specified Denomination
- Where Physical Settlement is applicable, please define "Asset Amount" here.*
- (v) Party responsible for calculating the Redemption Amount (if not the Calculation Agent): [•]/[Not applicable]
- (vi) Party responsible for delivery of the Redemption Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (vii) Exchange(s): [•]
- (viii) Related Exchange(s): [•]/All Exchanges]
- (ix) Potential Adjustment Events: [Applicable/Not Applicable]

- (x) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (xi) Tender Offer: [Applicable/Not Applicable]
- (xii) Valuation Date: [•]
- (xiii) Valuation Time: [Scheduled Closing Time/other- please specify]
- (xiv) Exchange Rate: [Applicable/Not Applicable] See definition of "Reference Price" at Condition 11.
[Insert details]
- (xv) Disrupted Day [Applicable/Not applicable] See definition of "Valuation Date" in Condition 11.4
- (xvi) Provisions for determining Redemption Amount where calculation by reference to Underlying Equity and/or Formula is impossible or impracticable: [Include a description of market disruption or settlement disruption events and adjustment provisions. Condition 11 indicates that if the value of the Underlying Equity cannot be calculated on the "Valuation Date" because it's a "Disrupted Day", the value will be determined on the earlier of the next available day, or the eighth day after the Valuation Date.]
- (xvii) Additional Disruption Events: [Applicable/Not Applicable][If any of the Disruption events specified underneath this heading are applicable then state "Applicable" here.]
- Change in Law: [Applicable/Not Applicable]
 - Hedging Disruption: [Applicable/Not Applicable]
 - Increased Cost of Hedging: [Applicable/Not Applicable]
 - Increased Cost of Stock Borrow: [Applicable/Not Applicable]
 - Insolvency Filing: [Applicable/Not Applicable]
 - Loss of Stock Borrow: [Applicable/Not Applicable]
- (xviii) Initial Stock Loan Rate: [•][Only applicable if Additional Disruption Events are specified as being applicable]
- (xix) Maximum Stock Loan Rate: [•][Only applicable if Additional Disruption Events are specified as being applicable]
- (xx) Multiplier for each Underlying Equity comprising the basket: [Insert details/Not Applicable]
- (xxi) Cut-off Date: [Only applicable for Physical Delivery — please specify the date by which Noteholders must deliver an Asset Transfer Notice in order to obtain the Redemption Amount]
- (xxii) Correction of Share Prices: [Applicable/Not Applicable]

- (xxiii) Correction Cut-Off Date: [•]
- (xxiv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions: [Only applicable for Physical Delivery]
- (xxv) Trade Date: [Please specify for the purposes of Condition 11.2]
- (xxvi) Other terms or special conditions: [•] *Include details of any Additional Disruption Events and the consequences thereof.*
30. Credit Linked Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Redemption Amount per Specified Denomination: [An amount calculated as follows: [•] /in accordance with Condition 13.1]
- (ii) Scheduled Maturity Date [Please specify]
- (iii) Trade Date: [•]
- (iv) Calculation Agent responsible for making calculations and determinations in relation to the Redemption Amount: [•]
- (v) Party responsible for delivering the Redemption Amount (if not the Calculation Agent): [•]/[Not Applicable]
- (vi) Calculation Agent City: [•]
- (vii) Reference Entity (/Entities) (the "**Reference Item(s)**") [•]
- (viii) Reference Obligation(s): [•]/
- [The obligation[s] identified as follows:
- Primary Obligor: [•]
- Guarantor: [•]
- Maturity: [•]
- Coupon: [•]
- ISIN: [•]]
- (ix) All Guarantees: [Applicable/Not Applicable]
- (x) Credit Events: [Bankruptcy]
- [Failure to Pay]
- [Grace Period Extension [Applicable/Not Applicable]]

[If Applicable:

Grace Period: [•]]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

- Provisions relating to Restructuring Credit Event: Condition 13.14 [Applicable/Not Applicable]
- Provisions relating to Multiple Holder Obligation: Condition 13.16 [Applicable/Not Applicable]
- [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]
- [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]

[*other*]

(xi) Default Requirement: [•]

(xii) Payment Requirement: [•]

(xiii) Conditions to Settlement: Credit Event Notice [If Applicable Notice of Physical Delivery]

Notice of Publicly Available Information [Applicable/Not Applicable]

[If Applicable:

Public Source(s): [•]

Specified Number: [•]]

(xiv) Obligation(s):

Obligation Category [Payment]

[*select one only*]: [Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

Obligation Characteristics [Not Subordinated]

- [select all of which apply]: [Specified Currency:
 [specify currency] [Standard Specified Currencies]]
 [Not Sovereign Lender]
 [Not Domestic Currency]
 [Domestic Currency means: [specify currency]]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Issuance]
- Additional Obligation(s): [•]
- (xv) Excluded Obligation(s): [•]
- (xvi) Method of Settlement: [Cash Settlement/Physical Delivery/Auction Settlement]
- (xvii) Fallback Settlement Method: [Cash Settlement/Physical Delivery]
 (N.B. Only applicable if Auction Settlement is selected in paragraph (xviii) above. If no Fallback Settlement Method is specified, it is deemed to be "Cash Settlement")
- (xviii) Accrual of Interest until Credit Event: [Applicable/Not Applicable]
- (xix) Provisions relating to Restructuring Credit Event: Condition 13.14 [Applicable/Not Applicable]
- (xx) Unwind Costs: [Standard Unwind Costs/other/Not Applicable]
 (N.B. If Standard Unwind Costs is specified, ensure that the definitions of Swap Unwind Amount and Swap Transaction correctly reflect Issuer's hedging arrangements)
- Terms relating to Cash Settlement* (Including the information below if the Fallback Settlement Method is Cash Settlement)
- (xxi) Cash Settlement Amount: [Express per lowest Specified Denomination]
- (xxii) Cash Settlement Date: [•] Business Days
- (xxiii) Valuation Date: [Single Valuation Date:
 [•] Business Days]
 [Multiple Valuation Dates:
 [•] Business Days; and each [•] Business Days thereafter.
 Number of Valuation Dates: [•]]
- (xxiv) Valuation Time: [•]

- (xxv) Quotation Method: [Bid/Offer/Mid-market]
- (xxvi) Quotation Amount: [[•]/Representative Amount]
- (xxvii) [Minimum Quotation Amount: [•]]
- (xxviii) Quotation Dealers: [•]
- (xxix) Quotations: [Include Accrued Interest/Exclude Accrued Interest]
- (xxx) Valuation Method: [Market/Highest]
[Average Market/Highest/Average Highest]
[Blended Market/Blended Highest]
[Average Blended Market/Average Blended Highest]
- (xxxi) Other terms or special conditions: [•]
- Terms relating to Physical Delivery (Include the information below if the Fallback Settlement Method is Physical Delivery)*
- (xxxii) Physical Delivery Period: [•] Business Days
- (xxxiii) Asset Amount: [Include Accrued Interest/Exclude Accrued Interest]
- (xxxiv) Settlement Currency: [•]
- (xxxv) Deliverable Obligations:
- Deliverable Obligation Category [Payment]
- [select one only]: [Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]
- Deliverable Obligation Characteristics [Not Subordinated]
- [select all of which apply]: [Specified Currency:
[specify currency] [Standard Specified Currencies]
[Not Sovereign Lender]
[Not Domestic Currency]
["**Domestic Currency**" means: [specify currency]]
[Not Domestic Law]
[Listed]

[Not Contingent]
[Not Domestic Issuance]
[Assignable Loan]
[Consent Required Loan]
[Direct Loan Participation]
[Qualifying Participation Seller: — *insert details*]
[Transferable]
[Maximum Maturity:
[•]]
[Accelerated or Matured]
[Not Bearer]

Additional Deliverable Obligation(s): [•]
(xxxvi) Excluded Deliverable Obligation(s): [•]
(xxxvii) Indicative Quotations: [Applicable/Not Applicable]
(xxxviii) Cut-off Date: [•]
(xxxix) Delivery provisions for Asset Amount: [•] (including details of who is to make such delivery if different from Terms and Conditions)
(xl) Other terms or special conditions: [•]

31. Details relating to Instalment Notes:

(i) Instalment Amount(s): [Not Applicable/*give details*]
(ii) Instalment Date(s): [Not Applicable/*give details*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

32. Form of Notes:

(i) Form: [Bearer Notes
Temporary [Bearer] Global Note exchangeable for a Permanent [Bearer] [Registered] Global Note/Certificate which is exchangeable for Definitive Notes/Certificate [on 30 days' notice given at any time/only upon an Exchange Event]]
[Temporary [Bearer] Global Note/Certificate exchangeable for Definitive Notes/Certificate on and after the Exchange Date]
[Permanent [Bearer] Global Note exchangeable for Definitive Notes [on 30 days' notice given at any time/only upon an Exchange Event]]

For the purpose of the above, "**Exchange Event**" shall have the meaning specified in the Terms and Conditions of the Notes

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Registered Notes

Individual Note Certificate

Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note

[and

Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))⁷

- (ii) New Global Note: [Yes][No]
33. Relevant Financial Centre for the payment of amounts into the accounts of Holders electing not to be paid by cheque: [Not Applicable/Give details/To be notified to the Fiscal Agent by the relevant Holder(s) as appropriate]
34. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
35. Calculation Agent: [•]
36. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. NB: new forms of Global Note may be required for Partly Paid issues.]

⁷ Include if the Notes are to be held under the New Safekeeping Structure.

37. Redenomination applicable: Redenomination [not] applicable
[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]
38. Notices to the Issuer: *[Insert notice details for delivery of notices to the Issuer if specific notice details are required]*
39. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)
40. Costs of Issue
- (i) Costs borne by purchasers of Notes: [give details]
- (ii) Commission paid to intermediaries: [give details]
- (iii) Other costs: [give details]
41. Effective yield of the Notes: [[•] per cent./method of calculating effective yield]

DISTRIBUTION

42. (i) If syndicated, names of Managers: [Not Applicable/give names]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
43. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
44. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
45. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
46. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and [admission to trading on [specify relevant regulated market and, if relevant, to admission to an official list] of the Notes described herein] pursuant to the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments of NIBC Bank N.V.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: By:
Duly authorised Duly authorised

[The information (the "**Reference Information**") on the Reference Item(s) is more particularly described in the Annex hereto. The Reference Information consists only of extracts from, or summaries of, information which is publicly available. Information about the identity of the Reference Item, the stock exchange where such Reference Item is listed or if not listed the financial statements of such Reference Item should be available with the Paying Agent in London. The Issuer accepts responsibility that the Reference Information has been correctly extracted or summarised. So far as the Issuer is aware and is able to ascertain from the Reference Information, no facts have been omitted which would render such reproduced information inaccurate or misleading. No further or other responsibility (express or implied) in respect of the Reference Information is accepted by the Issuer⁸.]

⁸ to be deleted if the annex does not contain Reference Information as appropriate in relation to each Tranche

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [•].]
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market and, if relevant, to admission to an official list] with effect from [•].]
[Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [•]]
[Moody's: [•]]
[Fitch: [•]]
[[Other]: [•]]
[Not Applicable]

(The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[This credit rating has/These credit ratings have] been issued by [full name of legal entity/entities which has/have given the rating].

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-

registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save issue for any fees payable to the [Managers/ Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

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

[(i) Reasons for the offer:

[(ii) Estimated net proceeds: [•]

[(iii) Estimated total expenses: [•]. [*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*]

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) 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 (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

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

Indication of yield: [•]

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

6. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS** (*Index-Linked Interest Notes only*)

[*Need to include details of where past and future performance and volatility of the index/formula can be obtained*]

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.*]

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

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

7. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained]

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

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

8. **OPERATIONAL INFORMATION**

- | | | |
|--------|---|---|
| (i) | ISIN Code: | [•] |
| (ii) | Common Code: | [•] |
| (iii) | Other Relevant Code | [Not Applicable/give number] |
| (iv) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| (v) | Delivery: | Delivery [against/free of] payment |
| (vi) | Names and addresses of initial Paying Agent(s): | [Citibank, N.A.
14 th Floor, Citigroup Centre 2
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]

[•] |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [•] |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes/No][Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee for one of the ICSDs acting as common safekeeper,] [include this text for Global Registered Notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the Bearer Notes must be issued in NGN form] |

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following are the Terms and Conditions of the Capital Securities which (subject to completion and possible minor amendment by the relevant Final Terms) will be applicable to each Series of Capital Securities, **provided that** the relevant Final Terms in relation to any Capital Securities may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such capital Securities:*

The Capital Securities are issued in accordance with an amended and restated fiscal agency agreement (the "**Fiscal Agency Agreement**"), which expression shall include any amendments or supplements thereto) dated 6 July 2007 and made between, *inter alia*, NIBC Bank N.V. (the "**Issuer**"), Citibank, N.A., London office in its capacity as Fiscal Agent (the "**Fiscal Agent**", which expression shall include any successor to Citibank, N.A., London office in its capacity as such) and the Paying Agent named therein (the "**Paying Agent**", which expression shall include the Fiscal Agent and any substitute or additional Paying Agents appointed in accordance with the Fiscal Agency Agreement). Copies of the Fiscal Agency Agreement are available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Capital Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Fiscal Agency Agreement insofar as they relate to the relevant Capital Securities.

The Capital Securities are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Capital Securities. Each Tranche will be the subject of the Final Terms (each, the Final Terms), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**") be lodged with Euronext Amsterdam and will be available for inspection at the specified office of the Fiscal Agent.

The Capital Securities are constituted by the Trust Deed. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed are available for inspection during normal business hours at the specified office of the Trustee and at the specified office of each of the Paying Agents. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Fiscal Agency Agreement applicable to them.

References in these Terms and Conditions to "**Securities**" are to Capital Securities of the relevant Series.

1. **FORM, DENOMINATION AND TITLE**

1.1 **Form and Denomination**

The Securities are in bearer form and shall be in denominations as indicated in the applicable Final Terms. The Securities will be represented by a temporary global Security (a "**Temporary Global Security**") which is exchangeable for a permanent global Security (a "**Permanent Global Security**") without interest coupons. Unless specified otherwise in the Final Terms, each Global Security will be deposited with Nederlands Centraal Instituut voor giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") and thereby become subject to the Dutch Securities Book-Entry Transfer Act (*Wet Giraal Effectenverkeer*). All transactions in (including transfer of) Securities, in the open market or otherwise must be effected through participants of Euroclear Netherlands. The bearer of a Global Security will be the only person entitled to receive payments in respect of such Global Security. Each person who is for the time being shown in the records of Euroclear Netherlands or any of its participants as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear Netherlands or such participant as to the nominal amounts 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 and the Paying Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of a Global Security shall be treated by the Issuer and the Paying Agent as the holder of such Securities in accordance with and subject to the terms of the Global Security.

2. STATUS AND SUBORDINATION

2.1 Status

Subject to applicable law, the Capital Securities constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

2.2 Subordination

Upon the Issuer's liquidation, moratorium of payments, bankruptcy or emergency measure (*noodregeling*) being declared, the rights and claims of Securityholders will rank, effectively from a financial point of view, in priority to all holders of Junior Securities and Junior Guarantees, in each case in accordance with and by virtue of the subordination provisions thereof, and equally with the holders of the Issuer's existing preference shares and any other Parity Securities and Parity Guarantees then outstanding. Upon the Issuer's liquidation, moratorium of payments or bankruptcy or emergency measure (*noodregeling*) being declared the rights and claims of the Securityholders are and shall be subordinated to the rights and claims of the holders of all Senior Debt of the Issuer and accordingly any payments on the Securities will be subordinate to, and subject in right of payment to the prior payment in full of, all Senior Debt.

Unless all principal of, and any premium or interest on, Senior Debt has been paid in full, no payment or other distribution may be made in respect of the Securities in the following circumstances:

- (a) in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganisation, assignment for creditors or other similar proceedings or events involving the Issuer or assets of the Issuer; or
- (b) (i) in the event and during the continuation of any default in the payment of principal, premium or interest on any Senior Debt beyond any applicable grace period or (ii) in the event that any event of default with respect to any Senior Debt has occurred and is continuing beyond any applicable grace period, permitting the holders of that Senior Debt (or a trustee) to accelerate the maturity of that Senior Debt, whether or not the maturity is in fact accelerated (unless, in the case of (i) or (ii), the payment default or event of default has been cured or waived or ceased to exist and any related acceleration has been rescinded) or (iii) in the event that any judicial proceeding is pending with respect to a payment default or event of default described in (i) or (ii).

2.3 No Senior Tier 1 Securities

So long as any of the Securities remains outstanding, the Issuer will not issue any preference shares (or other securities or instruments which are akin to preference shares as regards distributions or on a return of assets upon liquidation of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) or give any guarantee or contractual support arrangement in respect of any of the Issuer's preference shares or such other securities or instruments or in respect of any other Undertaking if such preference shares, preferred securities, guarantees or contractual support arrangements would rank (as regards distributions on a return of assets upon liquidation of the Issuer or in respect of distribution or payment of dividends and/or any other amounts thereunder by the Issuer) senior to the Securities, unless the Issuer alters the terms of the Securities such that the Securities rank *pari passu* effectively from a financial point of view with any such preference shares, such other securities or instruments akin to preference shares or such guarantee or support undertaking.

2.4 No Set-Off

By acceptance of the Securities, each Securityholder will be deemed to have waived any right of set-off or counterclaim that such holders might otherwise have against the Issuer whether prior to or in bankruptcy or winding-up.

Notwithstanding the preceding sentence, if any of the rights and claims of any Securityholder are discharged by set-off, such discharge shall be deemed null and void and such holder will immediately pay an amount equal to the amount of such discharge to the Issuer, if applicable, the

liquidator or trustee or receiver of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer, if applicable, the liquidator or the trustee or the receiver in the Issuer's winding-up. Accordingly, such discharge will be deemed not to have taken place.

3. COUPON PAYMENTS

3.1 Coupon Payment Dates

The Securities bear interest from (and including) the Issue Date, and unless the Issuer elects to defer payment under Condition 4, or, regardless of whether or not the Issuer has so elected to defer payment, upon the occurrence of a Mandatory Payment Event, interest will be payable in arrear on each Coupon Payment Date as indicated in the Final Terms. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment) as provided in the Trust Deed.

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date. The amount of the relevant Coupon Payment shall not be adjusted as a result.

3.2 Fixed Coupon Rate

Securities in relation to which this Condition 3.2 is specified in the relevant Final Terms as being applicable, shall bear a fixed rate interest at the Coupon Rate per annum as specified in the Final Terms.

3.3 Floating or Variable Coupon Rate

Securities in relation to which this Condition 3.3 is specified in the relevant Final Terms as being applicable, shall bear a floating or variable interest at the Coupon Rate per Coupon Period as specified in the relevant Final Terms and determined in accordance with Condition 3.4.

3.4 Determination of Coupon Rate and Coupon Amounts

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 3.3, calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Trustee, the Issuer, the Fiscal Agent, Euronext Amsterdam N.V., and the Securityholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Unless specified otherwise in the relevant Final Terms, the amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

3.5 Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Conditions 3.3 or (ii) calculate a Coupon Amount in accordance with Condition 3.4, the Trustee or an agent on its behalf shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 3.5 by or on behalf of the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Securityholders and (in the absence of wilful default or bad faith) no liability to

the Issuer, the Securityholders shall attach to the Trustee in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

4. **OPTIONAL DEFERRAL OF INTEREST**

4.1 **Deferral**

If, since the last Coupon Payment Date on which interest was paid (or, in the case of the first Coupon Payment Date, the Issue Date) no Mandatory Payment Event has occurred on or before the 20th Business Day preceding the date on which any payment would, in the absence of deferral, be due and payable (a "**Deferral Condition**"), the Issuer may defer any such payment (any deferred payments are referred to herein as "**Deferred Coupons**") and such payment will not be due and payable and no Event of Default will occur as a consequence of such deferral. Any Deferred Coupons will not accrue interest unless and until they become due and payable under the Trust Deed and these Conditions and are not paid.

In order to effect such deferral, the Issuer will deliver a notice to the Trustee, the Fiscal Agent and the Securityholders, not less than 16 Business Days prior to the related Coupon Payment Date.

4.2 **Optional settlement of Deferred Coupons**

The Issuer may pay any Deferred Coupons to Securityholders at any time, **provided, however, that** upon the occurrence of a Mandatory Payment Event at any time after Coupons have been deferred, all Deferred Coupons shall become due and payable as provided in Condition 4.3. The Issuer may satisfy its obligations to pay any Deferred Coupons only in accordance with the Alternative Coupon Satisfaction Mechanism.

4.3 **Mandatory payment of Coupons**

If a Mandatory Payment Event occurs, interest on the Securities and any Deferred Coupons will be or become mandatorily due and payable as follows:

- (a) if a Mandatory Payment Event set forth in paragraph (i) of the definition thereof occurs, then, notwithstanding the occurrence, further occurrence or continuance of any Deferral Condition:
 - (i) all Deferred Coupons will become mandatorily due and payable in full on the tenth Business Day after the date on which (x) the general meeting of the Issuer's shareholders adopted the Shareholders Adopted Accounts if the Distributable Profits were determined on the basis of the Shareholders Adopted Accounts, or (y) the Managing Board publishes the Managing Board Published Accounts by submission to the trade register if Distributable Profits were determined on the basis of the Managing Board Published Accounts; and
 - (ii) interest will be mandatorily due and payable in full on the next Coupon Payment Date (commencing with the Coupon Payment Date that falls on or immediately after the date on which (x) the general meeting of the Issuer's shareholders adopted the Shareholders Adopted Accounts if Distributable Profits were determined on the basis of the Shareholders Adopted Accounts, or (y) the Managing Board publishes the Managing Board Published Accounts by submission to the trade register if Distributable Profits were determined on the basis of the Managing Board Published Accounts);
- (b) if a Mandatory Payment Event set forth in paragraphs (ii), (iii) or (iv) of the definition thereof occurs, then, notwithstanding the occurrence, further occurrence or continuance of any Deferral Condition:
 - (i) all Deferred Coupons will become mandatorily due and payable in full on the date of such Mandatory Payment Event;

- (ii) with respect to a Mandatory Payment Event set forth in paragraphs (ii) or (iii) of the definition thereof, the interest payable for the next Coupon Payment Date commencing with the Coupon Period with a related Coupon Payment Date that falls on or immediately after the date of such Mandatory Payment Event, will be mandatorily due and payable in full on such next Coupon Payment Date; and
- (iii) with respect to a Mandatory Payment Event set forth in paragraph (iv) of the definition thereof, interest will be mandatorily due and payable in full on the next Coupon Payment Date commencing with the Coupon Payment Date that falls on or immediately after the date on which the Issuer or any of its Undertakings redeems, purchases or otherwise acquires for any consideration any of the Issuer's Junior Securities, any Parity Securities or any securities or other instruments issued by any of the Issuer's Undertakings benefiting from a Junior Guarantee or Parity Guarantee.

5. **ALTERNATIVE COUPON SATISFACTION MECHANISM**

5.1 **General**

The Issuer may pay any Deferred Coupons only in accordance with the procedure described below (the "**Alternative Coupon Satisfaction Mechanism**") through the issuance of Payment Securities which, when sold, will provide a cash amount to be applied by the Issuer towards making the relevant payments.

The obligation of the Issuer to make any payment in accordance with the Alternative Coupon Satisfaction Mechanism on a particular date (the "**ACSM Payment Date**") will be satisfied as follows:

- (i) the Issuer will give at least 16 Business Days' notice of the ACSM Payment Date to the Trustee and the Securityholders;
- (ii) by the close of business on or before the seventh Business Day prior to the ACSM Payment Date the Issuer will have authorised for issuance such number of Payment Securities as, in the determination of the Issuer, have a market value of not less than 110 per cent. of the relevant payment to be satisfied on the ACSM Payment Date plus the claims for the costs and expenses to be borne by the Issuer in connection with using the Alternative Coupon Satisfaction Mechanism;
- (iii) the Issuer will procure purchasers for the Payment Securities as soon as reasonably practicable, but not later than the fourth Business Day prior to the ACSM Payment Date;
- (iv) the Issuer will sell the Payment Securities to such purchasers and collect any sales proceeds;
- (v) the Issuer will pay the sales proceeds (or such amount of sales proceeds as is necessary to make the relevant payment) in accordance with Condition 8 on the ACSM Payment Date;
- (vi) if, after the operation of the above procedures, there would, in the opinion of the Issuer, be a shortfall on the ACSM Payment Date, the Issuer will issue further Payment Securities in accordance with the provisions of the Trust Deed to ensure that funds are available to make the payment in full on the ACSM Payment Date; and
- (vii) if, pursuant to the Alternative Coupon Satisfaction Mechanism, proceeds are raised in excess of the relevant payment amount plus the claims for the fees, costs and expenses to be borne by the Issuer in connection with using the Alternative Coupon Satisfaction Mechanism, the Issuer will retain such excess proceeds.

The Issuer will offer its then current ordinary shareholders a pre-emptive right over issuance of any such Payment Securities to the extent that such Payment Securities consist of Ordinary Shares. Under no circumstances will the Payment Securities be used as payment in kind in respect of the Issuer's obligations to the Securityholders.

5.2 **Insufficiency of Payment Securities**

If the Issuer is to satisfy a payment pursuant to the Alternative Coupon Satisfaction Mechanism and it does not, on the date when the number of Payment Securities required to be issued is determined, have a sufficient number of Payment Securities available for issue, then the Issuer shall notify the Trustee and the Securityholders that all or part, as the case may be, of the relevant payment cannot be satisfied due to the Issuer not having a sufficient number of Payment Securities. In this case the payment or part thereof shall be satisfied at the earliest practicable date following the date of the Issuer's next annual general meeting or extraordinary general meeting of its shareholders at which a resolution is passed making a sufficient number of Payment Securities available to satisfy all or such part of the relevant payment. If, however, the number of Payment Securities authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant payment then those Payment Securities so issued will be applied by the Issuer in partial satisfaction of all or such part of the relevant payment. Following the passage of a resolution which authorises the Issuer to issue additional Payment Securities for this purpose, the Issuer will provide not less than 16 Business Days' notice to the Trustee and the Securityholders of the date upon which the relevant payment or, as the case may be, the part thereof is to be made.

In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting is rejected, the resolution will be proposed at each annual general meeting or any extraordinary general meeting thereafter until the resolution has been passed by the Issuer's shareholders.

The Issuer will undertake in the Trust Deed to use its best efforts to have the Managing Board continue to be authorised to issue a sufficient number of Payment Securities as the Managing Board reasonably considers may be required to be issued in connection with the next payment of interest. Should the Issuer fail to do so, no damages will be payable in connection with such failure.

The Trustee is not obliged to monitor whether the Managing Board is authorised to issue a sufficient number of unissued Payment Securities and the Trustee is entitled to assume, unless it has actual knowledge to the contrary, that the Issuer is complying with its obligations to have the Managing Board continue to be so authorised.

6. **SUPERVISORY EVENT**

If and for so long as a Supervisory Event exists, the terms of the Securities will be automatically altered, without any action by Securityholders, so that a Mandatory Payment Event, as applicable, will be deemed to occur only if the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on its Ordinary Shares or other instruments which are classified as equity under IFRS as adopted by the European Union ("IFRS-EU"). During the period of this alteration, the Securities will be considered capital securities which, for purposes of IFRS-EU, are classified as equity applying IFRS-EU standards.

7. **REDEMPTION AND PURCHASE**

7.1 **No scheduled maturity date**

The Securities are perpetual with no scheduled maturity date. The Securities may only be redeemed, at the Issuer's option, in accordance with Condition 7.2, Condition 7.3 or Condition 7.4. Any redemption in accordance with Condition 7.2 or Condition 7.4 will be subject to the prior approval of De Nederlandsche Bank N.V.

7.2 **Redemption for Taxation Reasons**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of The Netherlands, or any change in the application or official interpretation of the laws or regulations of The Netherlands, which change or amendment becomes effective after the Issue Date, on

the next Coupon Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 10 and the Issuer cannot avoid such circumstance by taking measures as it (acting in good faith) deems appropriate; or

- (b) payments of interest on the Securities, including, for the avoidance of doubt, the issue of Payment Securities pursuant to the Alternative Coupon Satisfaction Mechanism, may be treated as "distributions" within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividend belasting 1965*, or such other provision as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and the Issuer cannot avoid such treatment by taking such measures as it (acting in good faith) deems appropriate; or
- (c) as a result of any proposed change or amendment to the laws or regulations of The Netherlands, or any proposed change in the application of official or generally published interpretation of such laws or regulations, or any interpretation or pronouncement by any relevant tax authority that provides for a position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is adopted (or, in the case of a proposed change, is expected to be adopted) on or after the Issue Date there is more than an insubstantial risk that the Issuer will not obtain substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Payment Securities pursuant to the Alternative Coupon Satisfaction Mechanism and the Issuer cannot avoid this risk by taking such measures as it (acting in good faith) deems appropriate,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all the Securities, but not some only, on the next Coupon Payment Date at their nominal amount, unless otherwise specified in the applicable Final Terms, together with all Deferred Coupons, if any, and interest accrued to but excluding the date of redemption **provided that** in the case of sub-clause (a) above, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts, were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the approval of De Nederlandsche Bank N.V. for redemption of the Securities has been obtained and that the relevant requirement or circumstance referred to in (a), (b) or (c) above is satisfied and, in the case of (a) above, will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

7.3 **Redemption as a result of Capital Disqualification Event**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that a Capital Disqualification Event has occurred, the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all the Securities, but not some only, on the next Coupon Payment Date at their nominal amount, unless otherwise specified in the applicable Final Terms, together with all Deferred Coupons, if any, and interest accrued to but excluding the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7.3, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the relevant circumstance referred to in the definition of Capital Disqualification Event has occurred, and the Trustee shall accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which case it shall be conclusive and binding on the Securityholders and the Couponholders.

7.4 **Redemption at the Option of the Issuer**

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Securityholders in accordance with Condition 15; and
- (b) notice to the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities, on the First Call Date (as defined in the Final Terms), or on any following Coupon Payment Date at their nominal amount together with all Deferred Coupons, if any, and interest accrued to but excluding the date of redemption.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the approval of De Nederlandsche Bank N.V. for redemption of the Securities has been obtained.

7.5 **Purchases**

Subject to applicable law and regulations, the Issuer or any of its Undertakings may at any time purchase Securities (**provided that** all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price.

7.6 **Cancellations**

All Securities which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Undertakings will forthwith be cancelled, together with all relative unmatured Coupons attached to the Securities or surrendered with the Securities, and accordingly may not be held, reissued or resold.

7.7 **Notices Final**

Upon the expiry of any notice as is referred to in Conditions 7.2, 7.3 and 7.4 the Issuer shall be bound to redeem the Securities to which the notice refers in accordance with the terms of such paragraph.

7.8 **Payment of Deferred Coupons**

For the avoidance of doubt, the redemption of any Deferred Coupons under this clause 7 may only be effected in accordance with the Alternative Coupon Satisfaction Mechanism.

8. **PAYMENTS**

8.1 **Method of Payment**

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Securities will be in the applicable currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Securities.
- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents **provided that** it will at all times maintain (aa) a Paying Agent having a specified office in The Netherlands (bb) for so long as the

Securities are listed on Euronext Amsterdam by NYSE Euronext, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Securityholders in accordance with Condition 15.

8.2 **Payments subject to fiscal laws**

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

8.3 **Payments on Payment Business Days**

A Global Security may only be presented for payment on a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for general business in Amsterdam and, if different, in the place of the specified office of the relevant Paying Agent to whom such Global Security is presented for payment and in any Additional Financial Centre specified in the Final Terms and (ii) the Trans-European Real-time Gross settlement Express Transfer (TARGET 2) System is operating.

No further interest or other payment will be made as a consequence of the day on which a Global Security may be presented for payment under this paragraph falling after the due date.

9. **NON-PAYMENT WHEN DUE AND WINDING UP**

Notwithstanding any of the provisions below in this Condition 9, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4 nor in the event of it possessing insufficient Payment Securities on the relevant date as contemplated in Condition 5.2.

The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

- (a) If the Issuer shall not make a payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities, and the Trustee may, notwithstanding the provisions of paragraph (b) of this Condition 9, institute proceedings in The Netherlands (but not elsewhere) for the winding-up (*faillissementsprocedure*) of the Issuer.
- (b) If, otherwise than for the purposes of reconstruction or amalgamation on terms previously approved in writing by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders, an order is made or an effective resolution is passed for the winding up in The Netherlands of the Issuer, the Securities shall immediately become due and repayable by the Issuer at their principal amount together with Deferred Coupons, if any, and accrued interest as provided in the Trust Deed subject to Condition 2.
- (c) Subject as provided in Condition 9, the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Securities, including any payment under clause 2 of the Trust Deed) **provided that** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

- (d) The Trustee shall not be bound to take any of the actions referred to in paragraph (a) or (c) above against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so requested by an Extraordinary Resolution or in writing by the holders of at least one-fifth in nominal amount of the Securities then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (e) No Securityholder shall be entitled to proceed directly against the Issuer, or to institute proceedings for the winding-up (*faillissementsprocedure*) of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer shall be available to the Trustee or any Securityholder (i) for the recovery of amounts owing in respect of the Securities (including any payment under clause 2 of the Trust Deed), other than the institution of proceedings in The Netherlands (but not elsewhere) for the winding-up (*faillissement*) of the Issuer and/or proving in such winding-up (*faillissement*) and (ii) for the breach of any other term under the Trust Deed, the Securities other than as provided in paragraph (b) above.

10. TAXATION

All payments by the Issuer in respect of the Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Securityholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Security:

- (i) to or to a third party on behalf of a Securityholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of such Securityholder or, as the case may be, having some connection with The Netherlands other than the mere holding of such Security; or
- (ii) to, or to a third party on behalf of, a Securityholder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a Securityholder, that is a partnership, or a Securityholder, that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Securityholder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any

undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

11. **PRESCRIPTION**

Claims for payment in relation to Securities will become void unless exercised within a period of 5 years in respect of payments of interest and 10 years in respect of payments of principal, in each case calculated from the due date for payment thereof.

12. **MEETINGS OF HOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

The Trust Deed contains provisions for convening meetings of Securityholders to consider any matter affecting their interests including the modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Securities, or the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on all Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Trustee may agree, without the consent of the Securityholders, to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and, if the Trustee so requires, such modification shall be notified to the Securityholders as soon as practicable thereafter in accordance with Condition 15. As provided in the Trust Deed, the Trustee may agree with the Issuer, without the consent of the Securityholders to substitution on a subordinated basis equivalent to that referred to in these Terms and Conditions of any holding company of the Issuer, any subsidiary of such holding company, any Undertaking, any successor in business of the Issuer or any subsidiary of any successor in business of the Issuer (the "**Substituted Issuer**") in place of the Issuer (or any previous Substituted Issuer under this Condition 12) as a new issuing party. In connection with any proposed substitution as aforesaid and in connection with the exercise of its functions, the Trustee shall have regard to the interests of the Securityholders as a class and the Trustee shall not have regard to the consequences of such substitution for individual Securityholders resulting from in particular their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Securityholders as a class and shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders except to the extent already provided for in Condition 10 and/or any undertaking given in addition thereto or in substitution therefor under the Trust Deed.

13. **REPLACEMENT OF THE SECURITIES**

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (or such other place of which notice shall have been given in accordance with Condition 15) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Security will be issued.

14. **THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, without accounting for any profit resulting therefrom.

15. **NOTICES**

Notices to Securityholders may be given by the delivery of the relevant notice to Euroclear Netherlands except for so long as the Securities are listed on Euronext Amsterdam by NYSE Euronext and the rules of Euronext Amsterdam N.V. so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiele Prijscourant*) and in a newspaper having general circulation in The Netherlands. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Any notice delivered to Euroclear Netherlands shall be deemed to have been given to the Securityholders on the day on which such notice is so delivered.

16. **FURTHER ISSUES**

The Issuer is at liberty from time to time without the consent of the Securityholders to create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that the same shall be consolidated and form a single series with a Series of outstanding Securities. Any such Securities shall be constituted by a deed supplemental to the Trust Deed.

17. **AGENTS**

The Issuer will procure that there shall at all times be a Calculation Agent and a Fiscal Agent so long as any Security is outstanding. If either the Calculation Agent or the Fiscal Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Fiscal Agency Agreement, as appropriate, the Issuer shall appoint, on terms acceptable to the Trustee, an independent investment bank acceptable to the Trustee to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Fiscal Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Fiscal Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents and the Securityholders.

None of the Issuer, the Trustee and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

18. **GOVERNING LAW AND JURISDICTION**

- (a) The Trust Deed and the Securities are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) The Courts of The Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Securities, and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, and the Securities may be brought in such courts.

19. **DEFINITIONS**

In these Terms and Conditions:

"Agency Agreement" means the amended and restated fiscal agency agreement dated 6 July 2007 (between the Issuer, the Trustee and the Agents relating to the Securities as amended and/or supplemented from time to time) under which each Agent agrees to perform the duties required of it under these Terms and Conditions;

"Agents" means the agents appointed pursuant to the Fiscal Agency Agreement and such term shall unless the context otherwise requires, include the Fiscal Agent.

"Alternative Coupon Satisfaction Mechanism" has the meaning ascribed to it in Condition 5.1;

"Business Day" means a TARGET Settlement Day which is also a day on which commercial banks and foreign exchange markets are open in Amsterdam (and/or such other days as specified in the Final terms);

"Calculation Agent" means the calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Fiscal Agency Agreement;

"Capital Disqualification Event" means the Issuer is notified in writing by De Nederlandsche Bank N.V. to the effect that securities in the nature of the Securities may not be included in the consolidated Tier 1 capital of the Issuer;

"Coupon Amount" means (i) in respect of a Coupon Payment, the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 3;

"Coupon Payment" means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

"Coupon Payment Date" means the date(s) specified as such in the Final Terms;

"Coupon Period" means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

"Coupon Rate" has the meaning ascribed to that term in Condition 3.2 (Fixed Coupon Rate) and 3.3 (Floating or Variable Coupon Rate);

"Deferral Condition" has the meaning set out in Condition 4.1; **"Deferred Coupons"** has the meaning set out in Condition 4.1; **"Director"** means a member of the Managing Board;

"Distributable Profits" for any particular financial year means the reported net profit of the Issuer on a consolidated basis, determined in each case after tax and extraordinary items for such year, as derived from the audited consolidated profit and loss account of the Issuer set forth in (x) the audited annual accounts of the Issuer adopted by a general meeting of the Issuer's shareholders in accordance with the Articles of Association (the **"Shareholders Adopted Accounts"**) or (y) if such accounts have not been adopted by a general meeting of the Issuer's shareholders within the periods prescribed under Dutch law and the Issuer's Articles of Association, the audited annual accounts of the Issuer made public by the Managing Board by submission to the trade register pursuant to Dutch law (the **"Managing Board Published Accounts"**);

"Issue Date" means the date of initial issue of the Securities as specified in the Final Terms; **"Issuer"** means NIBC Bank N.V.;

"Junior Guarantee" means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by an Undertaking and ranking as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Securities;

"Junior Securities" means the Ordinary Shares, any preference shares of the Issuer or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up

(*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Securities;

"Managing Board" means the managing board of directors of the Issuer;

"Mandatory Payment Event" means:

- (i) the Issuer has Distributable Profits for the preceding financial year in excess of the amounts referred to in Condition 4.3;
- (ii) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of the Issuer's Junior Securities or Parity Securities or makes a payment on a Junior Guarantee or Parity Guarantee;
- (iii) any of the Issuer's Undertakings declares, pays or distributes a dividend on any security or other instrument issued by it benefiting from a Junior Guarantee or Parity Guarantee or makes a payment (other than a dividend in the form of ordinary shares) on any security or other instrument issued by it benefiting from a Junior Guarantee or Parity Guarantee; or
- (iv) the Issuer or any of its Undertakings redeems, purchases or otherwise acquires for any consideration any of the Issuer's Junior Securities, any Parity Securities or any securities or other instruments issued by any of the Issuer's Undertakings benefiting from a Junior Guarantee or Parity Guarantee, other than:
 - (a) by conversion into or in exchange for the Ordinary Shares;
 - (b) in connection with transactions effected by or for the account of the Issuer's customers or customers of any of the Issuer's Undertakings or in connection with distribution, trading or market-making activities in respect of those securities;
 - (c) in connection with the Issuer's satisfaction of the Issuer's, or the satisfaction by any of the Issuer's Undertakings of its, obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants;
 - (d) as a result of a reclassification of the capital stock of the Issuer or any of the Issuer's Undertakings or the exchange or conversion of one class or series of capital stock for another class or series of capital stock; or
 - (e) the purchase of the fractional interests in shares of the Issuer's capital stock or the capital stock of any of the Issuer's Undertakings pursuant to the conversion or exchange provisions of that capital stock (or the security being converted or exchanged);

"Ordinary Shares" means ordinary shares of the Issuer;

"Parity Guarantee" means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by an Undertaking of the Issuer or such Undertaking which rank as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payments thereon *pari passu* with the Securities;

"Parity Securities" means, in respect of the Issuer, any securities which rank *pari passu* with the Securities as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

"Paying Agents" means the paying agents appointed pursuant to the Fiscal Agency Agreement and such term shall, unless the context otherwise requires, include the Fiscal Agent;

"Payment Securities" means Parity Securities or Junior Securities or any combination thereof which, in each case, are eligible as Tier 1 capital under the capital adequacy guidelines as applied and enforced by De Nederlandsche Bank N.V.;

"Relevant Date" means the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Fiscal Agent or the Trustee on or prior to such date, the **"Relevant Date"** means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Securityholders in accordance with Condition 15;

"Securities" means the Capital Securities specified in the relevant Final Terms and, unless the context otherwise requires, any further Securities issued pursuant to Condition 16 and forming a single series with such Capital Securities;

"Securityholder" means the bearer of any Security; **"Senior Debt"** of the Issuer means:

- (i) all claims of the Issuer's unsubordinated creditors;
- (ii) all claims of the Issuer's creditors whose claims are, or are expressed to be, subordinated only to the claims of the Issuer's unsubordinated creditors (whether only in the event of the Issuer's bankruptcy or otherwise); and
- (iii) all claims of all of the Issuer's other creditors, except those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Securityholders;

"Supervisory Event" means that the amount of capital of the Issuer on a consolidated basis declines below the minimum percentages stipulated by the De Nederlandsche Bank N.V. from time to time in accordance with the Basle Accord in its general guidelines (which on the date of issue of the Securities provide for maintenance by the Issuer of a total capital ratio of at least 8 per cent. on a consolidated basis).

"TARGET Settlement Day" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) system is open;

"Trust Deed" means the trust deed dated 6 July 2007 between the Issuer and the Trustee as amended and/or supplemented from time to time;

"Trustee" means the trustee as specified in the applicable Final Terms;

"Undertaking" means any of the Issuer's subsidiaries (being a subsidiary within the meaning of section 2:24a of the Dutch Civil Code).⁴

APPLICABLE FINAL TERMS TO THE CAPITAL SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Capital Securities issued by NIBC Bank N.V. with a denomination of less than EUR 100,000 under its Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

Final Terms dated [•]

NIBC BANK N.V.

*(Incorporated with limited liability under the laws of The Netherland
and having its corporate seat in The Hague)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Capital Securities]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Capital 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 Capital Securities. Accordingly any person making or intending to make an offer of the Capital 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 25 of Part A below, provided such person is one of the persons mentioned in Paragraph 25 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 Capital Securities in any other circumstances]⁹

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Capital 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 Capital Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Capital 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 Capital Securities in any other circumstances].¹⁰

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "**Conditions**") set forth in the Offering Circular dated 10 June 2011 (including any supplement thereto) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms

⁹ Include this legend where a non-exempt offer of Notes is anticipated.

¹⁰ Include this legend where only an exempt offer of Notes is anticipated.

and the Offering Circular. The Offering Circular is available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). Such Conditions are incorporated by reference in the Offering Circular dated 10 June 2011. This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 10 June 2011. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Offering Circular dated 10 June 2011. Copies of such Information Memoranda are available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.]

The purchase of Capital Securities involves 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 Capital Securities. Before making an investment decision, prospective purchasers of Capital Securities should ensure that they understand the nature of the Capital Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including "Additional Risk Factors in relation to the Capital Securities" on pages 19-20 thereof) and this Final Terms.

[The Issuer has not requested any rating agency to give a separate credit rating for the Capital Securities. The rating of the Issuer itself, as may be given and amended from time to time by any rating agency should not be regarded as a rating applicable to the Capital Securities.]

[Insert any specific additional risk factors]

No person has been authorised to give any information or make any representation not contained in or not consistent with this Final Terms, or any other information supplied in connection with the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealers.

By investing in the Capital Securities each investor represents that:

Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Capital Securities and as to whether the investment in the Capital Securities is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Capital Securities, it being understood that information and explanations related to the terms and conditions of the Capital Securities shall not be considered to be investment advice or a recommendation to invest in the Capital Securities. No communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Capital Securities.

Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Capital Securities. It is also capable of assuming, and assumes, the risks of the investment in the Capital Securities.

[Status of Parties. Neither the Issuer nor any of the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Capital Securities.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular 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.]

1. Issuer: NIBC Bank N.V.
 2. (a) Series Number: [•]
 - (b) Tranche Number: [•]
- (If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible)*
3. Specified Currency or Currencies: [•]
 4. Aggregate Nominal Amount:
 - (a) Series: [•]
 - (b) Tranche: [•]
 5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
 6. Specified Denominations: [•]
- (N.B. If an issue of Capital Securities is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] [100,000] minimum denomination is not required.)*
7. (a) Issue Date: [•]
 - (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
 8. Interest Basis

[[•] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/- [•] per cent. Floating Rate]

[Zero Coupon]

[Dual Currency Interest]

[specify other]

(further particulars specified below)
 9. Redemption/Payment Basis: [Redemption at par]
- [Dual Currency Redemption]
- [specify other]

(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Capital Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

10. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Capital Securities into another Interest Basis or Redemption/Payment Basis]
11. Call Option: [Issuer Call]
[(further particulars specified below)]
12. [Date [Board] approval for issuance of Capital Securities obtained: [•] [and [•], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Capital Security Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
- (b) Coupon Payment Date(s): [[•] in each year up to and including the redemption date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [•] per [•] in nominal amount
- (d) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) [Determination Date(s): [•] in each year
(Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration)
N.B. .Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

- (g) Other terms relating to the method of calculating interest for Fixed Rate Capital Securities: [None/Give details]
15. Floating or Variable Rate Capital Security Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Coupon Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/Variable Rate/specify other]
- (f) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Calculation Agent): [•]
- (g) Screen Rate Determination:
- Reference Rate: [•]
(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Issue and Paying Agency Agreement)
 - Interest Determination Date(s): [•]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [•]
(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
Actual/Actual (ICMA)
30/360
30E/360
30E/360 (ISDA)
Other]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Capital Securities, if different from those set out in the Conditions: [•]

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount of each Capital Security and method, if any, of calculation of such amount(s): [•] per Capital Security of [•] Specified Denomination [details of any make whole premium]
- (c) Notice period (if other than as set out in the Conditions): [•]
17. Early Redemption Amount of each Capital Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same: [•]

[•] [details of any make whole premium]

GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES

18. Form of Capital Securities: [Temporary Global Capital Security exchangeable for a Permanent Global Capital Security]
[other]
19. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(d) relates)
20. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

DISTRIBUTION

21. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (b) Date of [Subscription] Agreement: [•]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
22. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
23. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
24. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
25. Non exempt Offer: [Not Applicable] [An offer of the Capital Securities may be made by the Managers [and [specify names [and addresses of other financial intermediaries involved in the offer, if applicable]] (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 Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date or a formula]

such as "the Issue Date" or "the date which falls [•] Business Days thereafter" ("Offer Period"). See further Paragraph 9 of Part B below.

26. *(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.)*
27. 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] [admission to trading on *specify relevant regulated market and, if relevant, to admission to an official list*] of the Capital Securities described herein] pursuant to the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments of NIBC Bank N.V.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *specify source*. 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 *specify source*, 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

[Application has been made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•.] [Application is expected to be made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•.] [Not Applicable.]

2. RATINGS

The Capital Securities to be issued have been rated:

Ratings:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

[This credit rating has/These credit ratings have] been issued by [full name of legal entity/entities which has/have given the rating].

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it 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 rating allocated to Capital Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Man agers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Capital 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 Offering Circular under Article 16 of the Prospectus Directive.)]

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

[(i) Reasons for the offer: [•]

(See ["Use of Proceeds"] wording in Offering Circular — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) 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.)

[(iii) Estimated total expenses: [•] [Include breakdown of expenses]

(If the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. **YIELD** (*Fixed Rate Capital Securities only*)

Indication of yield: [•]

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

6. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Capital Securities only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

(N.B. The above applies if the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

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

7. OPERATIONAL INFORMATION

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Other Relevant Code [Not Applicable/give number]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and Euroclear Netherlands and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agent(s) (if any): [Citibank, N.A. 14th Floor, Citigroup Centre 2 Canada Square Canary Wharf London E14 5LB United Kingdom] [•]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]

8. TERMS AND CONDITIONS OF THE OFFER

- Offer Price: [Issue Price][specify]
- [Conditions to which the offer is subject:] [Not applicable/give details]
- [Description of the application process:] [Not applicable/give details]
- [Details of the minimum and/or maximum amount of application:] [Not applicable/give details]
- [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not applicable/give details]
- [Details of the method and time limits for paying up and delivering the Capital Securities:] [Not applicable/give details]
- [Manner in and date on which results of the offer are to be made public:] [Not applicable/give details]
- [Procedure for exercise of any right of pre-emption, negotiability of

subscription rights and treatment of
subscription rights not exercised:]

[Categories of potential investors to
which the Capital Securities are
offered and whether tranche(s) have
been reserved for certain countries:]

[Not applicable/*give details*]

[Process for notification to applicants
of the amount allotted and the
indication whether dealing may begin
before notification is made:]

[Not applicable/*give details*]

[Amount of any expenses and taxes
specifically charged to the subscriber
or purchaser:]

[Not applicable/*give details*]

APPLICABLE FINAL TERMS TO THE CAPITAL SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Capital Securities issued by NIBC Bank N.V. with a denomination of at least EUR 100,000 under its Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

Final Terms dated [•]

NIBC BANK N.V.

*(Incorporated with limited liability under the laws of The Netherland
and having its corporate seat in The Hague)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Capital Securities]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "**Conditions**") set forth in the Offering Circular dated 10 June 2011 (including any supplement thereto) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date] which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). Such Conditions are incorporated by reference in the Offering Circular dated 10 June 2011. This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 10 June 2011. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Offering Circular dated 10 June 2011. Copies of such Information Memoranda are available for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.]

The purchase of Capital Securities involves 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 Capital Securities. Before making an investment decision, prospective purchasers of Capital Securities should ensure that they understand the nature of the Capital Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including "Additional Risk Factors in relation to the Capital Securities" on pages 19-20 thereof) and this Final Terms.

[The Issuer has not requested any rating agency to give a separate credit rating for the Capital Securities. The rating of the Issuer itself, as may be given and amended from time to time by any rating agency should not be regarded as a rating applicable to the Capital Securities.]

[Insert any specific additional risk factors]

No person has been authorised to give any information or make any representation not contained in or not consistent with this Final Terms, or any other information supplied in connection with the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealers.

By investing in the Capital Securities each investor represents that:

Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Capital Securities and as to whether the investment in the Capital Securities is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Capital Securities, it being understood that information and explanations related to the terms and conditions of the Capital Securities shall not be considered to be investment advice or a recommendation to invest in the Capital Securities. No communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Capital Securities.

Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Capital Securities. It is also capable of assuming, and assumes, the risks of the investment in the Capital Securities.

[Status of Parties. Neither the Issuer nor any of the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Capital Securities.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular 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.]

1. Issuer: NIBC Bank N.V.
2. (a) Series Number: [•]
(b) Tranche Number: [•]
(If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible)
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount:
(a) Series: [•]
(b) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. Specified Denominations: [•]

(N.B. If an issue of Capital Securities is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] [100,000] minimum denomination is not required.)

7. (a) Issue Date: [•]
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
8. Interest Basis: [[•] per cent. Fixed Rate]
 [[LIBOR/EURIBOR] +/- [•] per cent.
 Floating Rate]
 [Zero Coupon]
 [Dual Currency Interest]
 [*specify other*]
 (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]
 [Dual Currency Redemption]
 [*specify other*]
(N.B. If the Final Redemption Amount is other than 100% of the nominal value the Capital Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
10. Change of Interest Basis or Redemption/Payment Basis: [*Specify details of any provision for change of Capital Securities into another Interest Basis or Redemption/Payment Basis*]
11. Call Option: [Issuer Call]
 [(further particulars specified below)]
12. [Date [Board] approval for issuance of Capital Securities obtained: [•] [and [•], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Capital Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]

- (b) Coupon Payment Date(s): [[•] in each year up to and including the redemption date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- © Fixed Coupon Amount(s): [•] per [•] in nominal amount
- (d) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) [Determination Date(s): [•] in each year
(Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration)
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (g) Other terms relating to the method of calculating interest for Fixed Rate Capital Securities: [None/Give details]
15. Floating or Variable Rate Capital Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Coupon Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/Variable Rate/specify other] Determination/ISDA
- (f) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Calculation Agent): [•]

- (g) Screen Rate Determination:
- Reference Rate: [•]
(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Issue and Paying Agency Agreement)
 - Interest Determination Date(s): [•]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [•]
(In the case of EURIBOR, if not EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
Actual/Actual (ICMA)
30/360
30E/360
30E/360 (ISDA)
Other]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Capital Securities, if different from those set out [•]

in the Conditions:

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount of each Capital Security and method, if any, of calculation of such amount(s): [•] per Capital Security of [•] Specified Denomination [details of any make whole premium]
- © Notice period (if other than as set out in the Conditions): [•]
17. Early Redemption Amount of each Capital Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [•]
- [details of any make whole premium]

GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES

18. Form of Capital Securities: [Temporary Global Capital Security exchangeable for a Permanent Global Capital Security]
- [other]
19. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(d) relates)*
20. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

21. (a) If syndicated, names of Managers: [Not Applicable/give names]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the*

Managers.)

- (b) Stabilising Manager(s) (if any): [Not Applicable/give name]
22. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
23. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
24. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
25. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market and, if relevant, to admission to an official list] of the Capital Securities described herein pursuant to the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments of NIBC Bank N.V.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. 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 [specify source], 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

[Application has been made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•.] [Application is expected to be made by the Issuer (or on its behalf) for the Capital Securities to be admitted to trading on *[specify relevant regulated market and, if relevant, to admission to an official list]* with effect from [•.] [Not Applicable.]

2. RATINGS

Ratings:

The Capital Securities to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]] [[Other]: [•]]

(The above disclosure should reflect the rating allocated to Capital Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[This credit rating has/These credit ratings have] been issued by [full name of legal entity/entities which has/have given the rating].

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is

certified in accordance with such Regulation.]

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 Capital 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 Offering Circular under Article 16 of the Prospectus Directive.)]

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

[(i) Reasons for the offer [•]

[(ii) Estimated net proceeds: [•]

[(iii) Estimated total expenses: [•]

(If the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. **YIELD** (Fixed Rate Capital Securities only)

Indication of yield: [•]

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

6. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Capital Securities only*)

[Need to include details of where past and future performance and volatility of the relevant rates 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.]

(N.B. The above applies if the Capital Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

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

7. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) Other Relevant Code: [Not Applicable/give number]

(iv) Any clearing system(s) other than Euroclear Bank [Not Applicable/give name(s) and number(s)]

S.A./N.V., Clearstream
Banking, *société anonyme*
and Euroclear Netherlands
and the relevant
identification number(s):

- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agent(s) (if any): [Citibank, N.A.
14th Floor, Citigroup Centre 2
Canada Square
Canary Wharf
London E14 5LB
United Kingdom]
[•]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]

USE OF PROCEEDS

The net proceeds from each issue of Instruments will be applied by the Issuer for its general corporate purposes, which includes making a profit. A substantial portion of the proceeds from the issue of certain Instruments may be used to hedge market risk with respect to such Instruments. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

BUSINESS DESCRIPTION OF NIBC BANK N.V.

1. PERSONS RESPONSIBLE

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

2. RISK FACTORS

Set forth on pages 10-20 are certain risk factors that could adversely affect the Issuer's future business, operating results or financial condition. These risks should be carefully considered before making investment decisions involving the Instruments. Additional risks not currently known to the Issuer or that the Issuer now deems immaterial may also harm the Issuer and affect an investment in the Instruments.

3. INFORMATION ABOUT THE ISSUER

3.1 Profile

The Issuer is a Dutch bank providing advisory, financing and investment services to medium-sized companies primarily in the Benelux and Germany. The Issuer has offices in The Hague, London, Brussels, Frankfurt and Singapore. Its registered offices are in The Hague at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5552.

3.2 General

The Issuer is a 100 per cent. subsidiary of NIBC Holding N.V., which in turn is owned by a consortium of international financial institutions and investors organised by J.C. Flowers and Co. The Issuer has various subsidiaries for investment or structured finance purposes, none of which individually entail substantial economic activities of the Issuer. The Issuer is not dependant on any other entities in the group.

The issued share capital of the Issuer is legally and beneficially owned and controlled directly by NIBC Holding N.V., a public limited liability company incorporated in The Netherlands with registered number 27282935. The rights of NIBC Holding N.V. as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed by its Directors in accordance with those articles and with the provisions of Dutch law.

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) over the previous 12 months that may have or had a significant effect on its financial position or profitability.

3.3 History and Development of the Issuer

The Issuer was established in on 31 October 1945 as Maatschappij tot Financiering van Nationaal Herstel by the Dutch government along with a number of commercial banks and institutional investors to provide financing for the post-World War II economic recovery of the Netherlands. This entity was renamed *De Nationale Investeringsbank* ("**DNIB**") in 1971 and was listed on the Dutch stock exchange, now Euronext Amsterdam, from 1986 to 1999. During this time DNIB focused on providing and participating in long-term loans and private equity investments.

In 1999, two of Europe's largest pension funds, *Algemeen Burgerlijk Pensioenfonds* ("**ABP**") and *Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen* ("**PGGM**"), made a public offer for the shares of DNIB through a new joint venture, named NIB Capital N.V. ("**NIB Capital**"). They acquired an 85 per cent. stake, leaving the Dutch government with a minority interest of approximately 15 per cent. NIB Capital acquired these remaining shares from the Dutch state in May 2004. The acquisition and change of name to NIB Capital in 1999 marked the beginning of the Issuer's evolution from what was essentially a long-term lending bank to an enterprising bank providing advisory, financing and investment services.

In December 2005, a consortium of international financial institutions and investors organised by J.C. Flowers & Co. and ultimately controlled by New NIB Ltd., a company incorporated under the laws of Ireland ("**New NIB Ltd**") (collectively, the "**Consortium**") purchased all of the outstanding equity interests of NIB Capital.

In connection with this acquisition, NIBC Holding N.V. was formed and NIB Capital became its wholly-owned subsidiary. Subsequently, we changed our name from "NIB Capital Bank N.V." to "NIBC Bank N.V."

The Issuer is a Dutch public limited liability company incorporated on 31 October 1945, with statutory seat in The Hague, The Netherlands and is registered at the Chamber of Commerce of The Hague under number 27032036. The Issuer is in compliance with the applicable corporate governance regulations of The Netherlands.

3.4 **Issuer's Authorised and Issued Share Capital**

As at the date of this Offering Circular, the Issuer's authorised share capital is EUR 250,000,000 and the Issuer's issued share capital is EUR 80,111,096.32.

3.5 **Ratings**

The current ratings of the Issuer are as follows:

<i>Rating Agency</i>	<i>Long-term</i>	<i>Short-term</i>	<i>Outlook/watch</i>
Moody's	Baa3	P-3	Stable
Standard & Poor's	BBB	A-2	Negative
Fitch	BBB	F-3	Stable

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.

Moody's, Standard and Poor's and Fitch are established in the European Union and have applied to be registered under the CRA Regulation, although as of the date of this Offering Circular notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

Whether or not each credit rating applied for in relation to a relevant Tranche of Instruments will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused. A credit rating is not a recommendation to buy, sell or hold Instruments and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation

3.6 **Business Overview**

The Issuer is organised around two strategic pillars: *Merchant Banking and Specialised Finance*. Indispensable to these pillars are *Treasury, Risk Management and Corporate Center*.

Merchant Banking provides advice, finance and co-investments to corporate clients, financial institutions, entrepreneurial investors and family offices.

Specialised Finance focuses on asset and project financing in the segments shipping, oil & gas services, infrastructure & renewables and commercial real estate. Its retail activities in the residential mortgages and retail savings (via NIBC Direct) are also part of Specialised Finance.

Treasury is responsible for adequately funding the Issuer's assets and managing the interest and liquidity position of the Issuer.

Risk Management is responsible for the identifying, measuring, managing and reporting of financial risk on a bank-wide basis.

Corporate Center provides essential support in areas such as Finance & Tax, Legal & Compliance, Internal Audit, ICT & Operations, Human Resources and Corporate Communications.

3.7 **Subsidiaries**

The Issuer operates globally through a number of wholly and partly owned subsidiaries. The principal subsidiaries are the following:

NIBC Bank Ltd., Singapore; B.V. NIBC Mortgage Backed Assets, The Hague, The Netherlands; De Nederlandse Participatie Maatschappij voor de Nederlandse Antillen N.V., The Hague, The Netherlands; PE Express I B.V., The Netherlands and PE Express II B.V., The Netherlands.

3.8 **Funding**

The activities of the Issuer are principally funded by the Issuer itself, in both the domestic and international financial markets. The Issuer is a long time frequent borrower on the international capital markets. The Issuer's primary sources of funding come from the issuance of debt securities under this euro medium term note programme, both through private placements and public offerings, as well as from a retail savings programme. The debt securities issued are placed predominantly with investors in the Benelux countries, Germany, the United Kingdom, and other European countries, although substantial amounts are also placed outside those countries.

One of the cornerstones of the Issuer's liquidity risk management framework is to maintain a comfortable liquidity position at all times. This means that the Issuer should have the ability to meet its financial obligations even if the Issuer is not able to raise any new funding over a longer period. The Issuer aims to maintain its sound liquidity position by having a prudent and conservative liquidity and funding policy, as well as by diversifying its funding sources. In order to realise diversification of funding sources the Issuer started in September 2008 with an internet based retail savings programme (www.nibcdirect.com), enhanced its collateral capacity that can be used in order to raise liquidity via the European Central Bank (ECB), established in 2008 a covered bond programme (backed by Dutch and German residential mortgages) and closed several other secured funding initiatives. In addition the Issuer has issued several medium term notes under its euro medium term note programme, benefiting from an unconditional and irrevocable guarantee issued by the State of The Netherlands under its Credit Guarantee Scheme. The Credit Guarantee Scheme was closed for new applications as of January 2011.

3.9 **Risk Management**

Risk management at the Issuer involves identifying, measuring, managing and reporting of credit risk, market risk, liquidity risk, investment risk as well as operational and other risks.

Under the supervision of the Managing Board and the Risk Policy Committee of the Supervisory Board, formal authority and ultimate decision-making in respect of risk management matters is the responsibility of four committees: The Transaction Committee, the Investment Committee, the Asset & Liability Committee and the over-arching Risk Management Committee. These committees are chaired by the Chief Risk Officer and they ensure that assessment and acceptance of credit, market, investment and liquidity risk exposure is made independently of the business originators within business units.

The Risk Management Committee determines the overall risk appetite and risk profile at a strategic level, evaluates the risk management elements of new activities and products as well as reviews risks at portfolio level, sets country risk limits, approves acceptance policies and guidelines and approves the risk policies and manuals.

The Asset & Liability Committee ("**ALCO**") monitors the development of the balance sheet and market risk profile. The ALCO monitors traded market risks, exposure to interest rates and currency risks, capital structure and liquidity position. The ALCO also approves large transactions such as securitisations and sets overall limits on risk exposures. The ALCO receives reports on all breaches of risk limits.

The Transaction Committee ("**TC**"), the Issuer's credit committee, makes decisions on individual senior debt transactions, including terms and conditions for lending and the acceptance of derivative counterparty exposure and parameters and lending and underwriting strategies, as well as evaluating opportunities for potential subsequent distribution of the asset. The TC sets counterparty exposure limits, monitors exposure and decides on impairments.

The Investment Committee ("**IC**") is responsible for investment risk. The IC approves transactions with respect to equity, mezzanine, and subordinated debt exposures as well as impairments and revaluations.

In addition to the above risk management committees, there is also the Engagement and Compliance Committee, which is responsible for the prevention of potential commercial conflicts of interest and compliance issues in evaluating potential assignment for clients.

Finally, matters concerning Operational Risk are periodically discussed in the Managing Board. Operational Risk Management is aligned with activities of the Internal Audit Department.

Overlap of committee membership among Managing Board members contributes to consistency in communication and decision-making. In all risk management committees, at least two members are members of the Managing Board.

The Chief Risk Officer is supported by centralised risk management functions which consist of four risk management departments, the Credit Risk Management department, the Asset & Liability Management and Market Risk department, the Financial Markets Credit Risk and Risk Policy and Reporting departments. These departments support the various risk management committees dedicated to monitoring the different risk categories.

3.10 **Members of the Managing Board**

As at the date of this Offering Circular, the Members of the Managing Board of the Issuer are the following persons:

J.P. Drost, Chairman, Chief Executive Officer
C. van Dijkhuizen, Vice Chairman, Chief Financial Officer, Head of Corporate Center
R. H. ten Heggeler, Head of Merchant Banking
J. van Hessen, Head of Specialised Finance & Treasury
J. Sijbrand, Chief Risk Officer, Head of Risk Management

On 20 May 2011 it was announced that J. Sijbrand, Chief Risk Officer, Head of Risk Management, will resign as a member of the Managing Board of the Issuer. As at the date of this Offering Circular, this is expected to take place on 1 July 2011.

There are no potential conflicts of interest between any duties to the Issuer of its Managing Board members and private interests or other duties of the Managing Board members.

The members of the Managing Board may be contacted at the registered address of the Issuer, at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5552.

3.11 **Supervisory Board**

Members of the Supervisory Board are the following persons:

W.M. van den Goorbergh, (Chairman)
D. Morgan (Vice-Chairman)
A. Bergen (member)
M.J. Christner (member)

C.H. van Dalen (member)
N.W. Hoek (member)
A. de Jong (member)
M.C. McCarthy (member)
S.A. Rocker (member)
D. Rümker (member)
A.H.A. Veenhof (member)

There are no potential conflicts of interest between any duties to the Issuer of its Supervisory Board members and private interests or other duties of the Supervisory Board members.

The members of the Supervisory Board may be contacted at the registered address of the Issuer, at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5552.

SUPERVISION AND REGULATION

General

NIBC Bank N.V. is a credit institution (*kredietinstelling*) organised under the laws of The Netherlands. The principal law applicable to NIBC Bank N.V. is the Dutch Act on financial supervision (*Wet op het financieel toezicht*, the "Wft"), under which NIBC Bank N.V. is supervised by *De Nederlandsche Bank N.V.* (the "DNB") and the Dutch Minister of Finance.

The objectives of NIBC Bank N.V. are general banking and financing activities (see for a detailed description article 2 of the Articles of Association).

Licensing

Under the Wft, a credit institution established in The Netherlands is required to obtain a licence from the DNB 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 credit institution must be determined by at least two persons, (ii) the credit institution must have a body of at least three members which has tasks similar to those of a board of supervisory directors and (iii) the credit institution must have a minimum equity (*eigen vermogen*) of EUR 5,000,000.

Also, the DNB 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 credit institution have insufficient expertise to engage in the business of the credit institution, (ii) the interests of (future) creditors could be materially prejudiced given the intentions or credentials of one or more persons who determine the policy of the credit institution or (iii) through a qualified holding in the credit institution, influence on the policy of such enterprise or institution may be exercised which is contrary to prudent banking policy (*gezond bankbeleid*). In addition to certain other grounds, the licence may be revoked if a credit institution fails to comply with the requirements for maintaining it.

Reporting and Investigation

A credit institution is required to file with the DNB its annual financial statements in a form approved by the DNB, which includes a balance sheet and a profit and loss statement that have been certified by a qualified auditor in The Netherlands or an equally qualified foreign auditor who is licensed in The Netherlands. In addition, a credit institution is required to file with the DNB or a designated agency monthly balance sheets, on a basis established by the DNB, which also has the option to demand more frequent reports (including reports certified by a qualified auditor in The Netherlands or an equally qualified foreign auditor who is licensed in The Netherlands). The credit institutions reports to the DNB are required to be truthful and not misleading.

As of 1 January 2005 the financial figures of NIBC Bank N.V. have been based on the IFRS accounting principles.

Supervision

The DNB exercises monetary supervision, supervision with respect to the solvency and liquidity of credit institutions, supervision of the administrative organisation of credit institutions and structure supervision relating to credit institutions. To this end, the DNB has issued the following general guidelines:

Solvency Supervision

The guidelines of the DNB on solvency supervision require that a credit institution maintains equity in an amount equal to at least eight per cent of its risk bearing operations. These guidelines also impose limitations on the aggregate amount of claims (including extensions of credit) a credit institution may have against one debtor or a group of related debtors.

Liquidity Supervision

The guidelines of the DNB relating to liquidity supervision require that a credit institution maintains sufficient liquid assets against certain liabilities of the credit institution. These guidelines impose

additional liquidity requirements if the amount of liabilities of a credit institution with respect to one debtor or group of related debtors exceeds a certain limit.

Structure Supervision

The Wft provides that a credit institution must obtain a declaration of no objection from the Minister of Finance (or, in certain cases, determined by the Minister of Finance from the DNB) before, among other things, (i) reducing its own funds by way of repayment of capital or distribution of reserves, (ii) holding, acquiring or increasing a qualified holding in another enterprise or institution if such qualified holding amounts to or exceeds ten per cent, (iii) acquiring all or a substantial part of the assets and liabilities of another enterprise or institution, (iv) merging with another enterprise or institution or (v) proceeding to financial or corporate reorganisation. For purposes of the Wft, qualified holding is defined to mean the holding, directly or indirectly, of an interest of more than 10 per cent of the issued share capital or voting rights in an enterprise or institution, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a credit institution, or to exercise any voting power in connection with such holding, only after such declaration of no objection has been obtained.

Emergencies

The Wft contains an emergency regulation (noodregeling) which can be declared in respect of a credit institution by a Dutch court at the request of the DNB if such credit institution is in a position which requires special measures for the protection of its creditors. As of the date of the emergency, only the court appointed administrators have the authority to exercise the powers of the representatives of the credit institution. Furthermore, the emergency regulation provides for special measures for the protection of the interests of the creditors of the credit institution. A credit institution can also be declared in a state of bankruptcy by the court.

4. **TREND INFORMATION**

There has been no material adverse change in the prospects of the Issuer or its subsidiaries since the date of their last published audited financial statements.

5. **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

Board of Managing Directors and Board of Supervisory Directors

The Articles of Association of the Issuer provide for management to be carried out by the Board of Managing Directors under the supervision of a Board of Supervisory Directors.

The Board of Supervisory Directors (the "**Supervisory Board**") consists of at least three natural person members including a Chairman and a Vice-chairman. The Supervisory Board is responsible for supervising and assisting the Board of Managing Directors (the "**Managing Board**") in the management of the Issuer by giving advice and overseeing the general business of the Issuer. The Managing Board consults the Supervisory Board about all important matters concerning the Issuer's general policies. The Supervisory Directors are appointed on the nomination of the Supervisory Board, by the general meeting of shareholders or by the Supervisory Board pursuant to article 30.6 of the Issuer's Articles of Association. The Supervisory Board may appoint a secretary, who does not have to be a member of that Board. The members of the Supervisory Board are appointed for a maximum term of four years and may be re-appointed. The members of the Supervisory Board may be suspended or dismissed by the general meeting of shareholders. Remuneration of each Supervisory Board member is established by the general meeting of shareholders.

The Managing Board consists of at least two members including a Chairman and a Vice-chairman. The Managing Board is responsible for the day to day operations of the Issuer. The Chairman of the Managing Board and the other members of this Board are appointed, suspended or dismissed by the Supervisory Board. Members of the Managing Board are appointed for a period not exceeding four years and can be reappointed each time for a period not exceeding four years. In the event of a contemplated appointment or dismissal, the Supervisory Board shall enable the general meeting of shareholders to render advice in connection with such appointment

or dismissal. Remuneration of each Managing Board member is set by the Supervisory Board with due observance of the Issuer's remuneration policy.

All members of the Supervisory Board are non-executive directors. All members of the Managing Board are executive directors and do not perform principal activities outside the Issuer that are significant with respect to the Issuer.

The business address of each of the above mentioned Directors is Carnegieplein 4, 2517 KJ The Hague, The Netherlands. The abovementioned persons are members of the Supervisory Board and Managing Board (as applicable) of both NIBC Holding N.V. and NIBC Bank N.V.

Potential Conflicts of Interests

There are no potential conflicts of interests between any duties to the Issuer of any Supervisory or Managing Board members and their private interests and/or other duties.

Audit and Compliance Committee

Mr. W.M. Van den Goorbergh (Chairman until 15 November 2010), Mr. A. Bergen (Chairman as of 15 November 2010), Mr. C.H. Van Dalen and Mr. D. Morgan.

The Audit and Compliance Committee (ACC) assists the Supervisory Board in monitoring NIBC's systems of financial risk management and internal control and compliance with legislation and regulations, the integrity of its financial reporting process and the content of the annual financial statements and reports. It also advises on corporate governance and corporate social responsibility matters.

The main topics discussed during 2010 were the impact of the market circumstances on NIBC; funding and liquidity planning; the budget and the quarterly, semi-annual and annual financial reports and related press releases or trading updates; the developments regarding the internal reporting process and related control environment, including anti-fraud framework and the CSR Policy Framework.

The ACC discussed the reports of external auditor PricewaterhouseCoopers Accountants N.V. and its audit plan for 2010. The ACC also discussed the internal audit plan and the compliance year plan, including progress and main findings and conclusions of the Internal Audit department and the Compliance department.

6. MAJOR SHAREHOLDERS

See the information set out in paragraph 3.1 above.

7. FINANCIAL INFORMATION

7.1 Financial statements

As set forth under "*Documents incorporated by reference*", the audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2009 of the Issuer shall be incorporated in, and form part of, this Offering Circular.

7.2 Auditor's Report

The financial statements of NIBC Bank N.V. for the financial years ended 2009 and 2010 have been audited by PricewaterhouseCoopers Accountants N.V. PricewaterhouseCoopers Accountants N.V. issued unqualified auditors' reports on these financial statements on 8 March 2010 and 21 April 2011, respectively.

7.3 Financial Statements

This information is incorporated by reference.

7.4 Auditing of Historical Annual Financial Information

This information is incorporated by reference.

7.5 Age of Latest Financial Information

Audited financial information is dated as at 31 December 2010.

7.6 Interim and Other Financial Information

Not applicable.

7.7 Documents on Display

Throughout the life of the Programme, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Principal Paying Agent and at the registered office of the Issuer, namely:

- (a) the Articles of Association of the Issuer dated 7 June 2007;
- (b) the current listing particulars in relation to the Offering Circular, together with any amendments or supplements thereto and any document incorporated therein by reference;
- (c) the Fiscal Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Dealership Agreement;
- (f) the Trust Deed;
- (g) the audited financial statements of the Issuer and its subsidiary undertakings for the last two preceding financial years and the unaudited financial statements (if any) of the Issuer for the most recent financial half year; and
- (h) any Final Terms relating to Instruments which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of a Series of Instruments in relation to which application has not been made for admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by a Holder or, as the case may be, a Relevant Account holder (as defined in the Deed of Covenant) in respect of such Instruments.

TAXATION

The Netherlands

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Talons and Receipts. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Note holder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on The Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where in this summary the terms "the Netherlands" and "Dutch" are used, these terms solely refer to the part of the Kingdom of the Netherlands that is situated in Europe.

With the exception of paragraph (a), this summary does not address the Netherlands tax consequences of:

- (a) *a Noteholder holding a substantial interest ("aanmerkelijk belang") in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 ("Wet inkomstenbelasting 2001"). Generally speaking, a Noteholder (including both individuals and entities) holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of five percent or more of the total issued capital of the Issuer or of five percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*
- (b) *a Noteholder qualifying as an investment institution ("fiscale beleggingsinstellingen"); and*
- (c) *a Noteholder qualifying as a pension fund, exempt investment institution ("vrijgestelde beleggingsinstellingen") or other entity that is exempt from Netherlands corporate income tax.*

Where in this summary reference is made to a "Noteholder", this includes, without limitation, an individual to whom, or an entity to which, benefits derived from Notes are attributed for Dutch tax purposes.

General

The Issuer has been advised that under the existing laws of The Netherlands:

- (a) all payments by the Issuer under the Notes can 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;
- (b) a Noteholder deriving income from a Note or realising a gain on the disposal or redemption of a Note will not be subject to Netherlands taxation on income or capital gains unless:
 - (i) the holder is treated as resident in The Netherlands for the purpose of the relevant provisions; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on by or for the benefit of the Noteholder through a permanent establishment or a permanent representative in The Netherlands; or
 - (iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities ("*belastbaar resultaat uit overige werkzaamheden*") in The Netherlands as defined in section 3.4 of the Dutch Income Tax Act 2001;
- (c) Netherlands gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death, of a Noteholder, unless:

- (i) the Noteholder is, or is deemed to be, a resident of The Netherlands for the purpose of the Netherlands gift and inheritance tax ("*Successiewet 1956*"); or
- (ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions;
- (d) there is no Netherlands registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes;
- (e) there is no Netherlands value added tax payable in respect of payments in consideration for the issue of a Note or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and
- (f) a holder of a Note will not have a permanent establishment, or be deemed to have a permanent establishment, in The Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of a Note.

European Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States of the European Union (the "**Member States**" and each a "**Member State**") are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain other limited types of entity established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

Also with effect from 1 July 2005, a number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the 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 a Member State to, or collected by such a person for, an individual resident or certain other limited types of entity registered in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

SUBSCRIPTION AND SALE

The Dealers have, in an Amended and Restated Dealership Agreement dated on or around 10 June 2011 (the "**Dealership Agreement**") agreed with the Issuer a basis upon which it may from time to time agree to purchase Instruments (**provided that** no Registered Notes may be purchased by NIBC Bank N.V. in its capacity as Dealer). Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Capital Securities*".

General

The Dealers have agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Instruments or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Instruments under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor the Dealer represents that Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

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 Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instrument to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the final terms in relation to the Instruments specify that an offer of those Instruments 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 Instruments 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) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: 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 or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (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 Instruments to the public**" in relation to any Instruments 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 Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and 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.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series/Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United States

The Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted in the Dealer Agreement and as described below, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each Dealer to which it sells Instruments during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or

benefit of U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Furthermore, each Series of Instruments will also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer or Dealers may agree and as indicated in the relevant Final Terms.

Each issuance of Index Linked Instruments or Dual Currency Instruments shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Instruments, which additional selling restrictions shall be set out in the applicable Final Terms.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Instruments 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 Instruments 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 Instruments 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 Instruments 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 Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended; the "FIEL") and, accordingly, each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Belgium

Belgium has implemented the Prospectus Directive and the section headed "*Subscription and Sale - Public Offer Selling Restriction under the Prospectus Directive*" of this Offering Circular is applicable. This Offering Circular has not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, Instruments that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006

on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not sell Instruments to any person qualifying as a consumer within the meaning of Article 2.3° of the Belgian law of 6 April 2010 on market practices and consumer protection unless such sale is made in compliance with this law and its implementing regulation.

Only the persons or entities listed in article 56 of the Act of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market, as amended from time to time, may act as intermediary in the context of a public offer of the Instruments.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Instruments to the public (*offre au public*) in France in the period beginning (i) when a prospectus in relation to those Instruments has been approved by the *Autorité des marchés financiers* (the "**AMF**"), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Offering Circular, all in accordance with articles L.412 1 and L.621 8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, 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*.

Italy

The offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, save as set out below, it has not offered or sold, and will not offer or sell, any Instruments in Italy in an offer to the public and that sales of the Instruments in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Instruments or distribute copies of this Offering Circular and any other document relating to the Instruments in the Republic of Italy except:

- (a) to "**qualified investors**", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and as defined under Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or
- (b) that it may offer, sell or deliver Instruments or distribute copies of any prospectus relating to such Instruments in an offer to the public in the period commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in

Italy under Decree 58 and CONSOB Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or

- (c) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Instruments or distribution of copies of this Offering Circular or any other document relating to the Instruments in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, Regulation 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in any subsequent distribution of the Instruments in Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Instruments are placed solely with qualified investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Instruments who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Instruments were purchased, unless an exemption provided for under Decree No. 58 applies.

Norway

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in the Kingdom of Norway any Instruments other than to persons who are professional investors according to the Norwegian Securities Trading Act of 29 June 2007 no. 75 section 7-4 no. 8, cf. the Norwegian Securities Trading Regulations of 29 June 2007 no. 876 section 7-1.

Switzerland

This Offering Circular does not constitute a prospectus as the term is understood pursuant to articles 652a and 1156 of the Swiss Code of Obligations or the Swiss Federal Act on Collective Investment Schemes.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it (a) will only offer or sell Instruments in Switzerland in compliance with all applicable laws and regulations in force in Switzerland, and (b) will to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Instruments under the laws and regulations in force in Switzerland.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments (except for Instruments which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance and any rules 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 purpose of issue, and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere any advertisement,

invitation or document, relating to the Instruments, 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 Instruments which are or are intended to be disposed of only to the persons outside Hong Kong or only to "**professional investors**" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) of Singapore (the "**Securities and Futures Act**"). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Instruments may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of such Instruments be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Instruments are acquired by persons who are relevant persons specified in Section 276 of the Securities and Futures Act, namely:

- (a) a corporation (which is not an accredited investor as defined in Section 4A of the Securities and Futures Act) 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,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (under Section 274 of the Securities and Futures Act) or to a relevant person as defined in Section 275(2) of the Securities and Futures Act, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275(1A) of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the Securities and Futures Act.

Malaysia

As the approval of the Malaysian Securities Commission pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007 has not been/will not be obtained, the Instruments are not being and will not be deemed issued, made available, offered for subscription or purchase in Malaysia nor are they the subject of any offer for subscription or purchase of, or invitation to subscribe for or purchase in Malaysia, and any document or other material in connection therewith should not be issued, circulated or distributed, directly or indirectly, in Malaysia.

Thailand

The Instruments may not be offered or sold in Thailand as part of their initial issuance, except in compliance with the Securities and Exchange Act of Thailand and all other applicable Thai laws and regulations. In particular, the Issuer must comply with the following requirements and conditions:

- (a) For the Instruments denominated in Thai Baht:
 - (i) the Issuer must obtain prior approval from the Ministry of Finance of Thailand (the "**MOF**") for the offering of the Instruments in Thailand;
 - (ii) if the offering of the Instruments is to be made to more than ten investors in Thailand, the Issuer is also required to file with the Securities and Exchange Commission of Thailand (the "**SEC**") a prospectus and registration statement in respect of the Instruments together with other certain application letters (in the forms prescribed by the SEC); and
 - (iii) if the offering of the Instruments is to be made to no more than ten investors in Thailand within any four month period, the Issuer must register a transfer restriction with the SEC to the effect that, at any time, there will be no more than ten holders of such Instruments.
- (b) For the Instruments denominated in any currencies other than Thai Baht:
 - (i) the Issuer must obtain prior approval from the Bank of Thailand for the offering of the Instruments in Thailand;
 - (ii) if the offering of the Instruments is not to be made to 13 types of institutional investors and/or high net worth investors, as qualified by the SEC, the Issuer is also required to obtain prior approval from the SEC; and
 - (iii) the Issuer must, in any case, file with the SEC a prospectus and registration statement in respect of the Instruments together with other certain application letters (in the forms prescribed by the SEC).

Korea

The Instruments have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea ("**FSCMA**"). Accordingly, each Dealer severally but not jointly has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Instruments have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of Instruments will be prohibited from offering, delivering or selling any Instruments, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Instruments except (i) in the case where the Instruments are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Instruments may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer severally but not jointly undertakes, and each further Dealer appointed under the Programme will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Instruments confirms that it is purchasing such Instruments as principal and agrees with such Dealer that it will comply with the restrictions described above.

Taiwan

An offer of the Instruments has not been and will not be registered with or approved by the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered, sold, recommended, or marketed in Taiwan, the Republic of China through a public offering, private placement or in circumstance which constitutes an offer, sale,

recommendation, or marketing within the meaning of the Securities and Exchange Law or any other relevant securities laws and regulations of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer, sell, provide consultation, recommendation, or market the Instruments in Taiwan, the Republic of China. The material does not constitute, and may not be issued, circulated or distributed for the purpose of, an offer, recommendation, or solicitation by anyone to buy, sell, resell, and/or transfer the instruments that could be referred to or linked to, explicitly or impliedly, in the material, if any, in Taiwan, the Republic of China.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Instruments under the Programme have been duly authorised by a resolution of the Managing Board of the Issuer dated 9 June 2011. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Instruments and for the Issuer to undertake and perform its obligations under the Fiscal Agency Agreement and the Instruments.

Listing

Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Offering Circular to be admitted to trading on the London Stock Exchange's regulated market and to be admitted to the Official List. The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the UK Listing Authority or the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealers may agree, subject to the terms of the Dealership Agreement.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers Accountants N.V., *Register accountants*, who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the two financial years ended on 31 December 2009 and 31 December 2010.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available during normal business hours from the registered office of the Issuer and from the specified office of the Principal Paying Agent:

- (i) an English translation of the most recent Articles of Association of the Issuer;
- (ii) the publicly available annual reports (non consolidated and consolidated) of the Issuer for the two most recent financial years, and the most recently available published unaudited consolidated interim (semi annual) financial statements of the Issuer (in English);
- (iii) the Fiscal Agency Agreement;
- (iv) the Deed of Covenant;
- (v) The Trust Deed;
- (vi) the Dealership Agreement;
- (vii) in the case of each issue of listed Instruments subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document);
- (viii) a copy of this Offering Circular;
- (ix) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to an Instrument which is neither 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 will only be available for inspection by a holder of such Instrument and

such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Instruments and identity) to this Offering Circular and any Supplementary Offering Circular and any other documents incorporated herein or therein by reference;

- (x) the Final Terms for each Tranche of listed Instruments; and
- (xi) the Issuer ICSDs Agreement.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2010 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole since 31 December 2010.

Conditions for determining price

The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Litigation

Neither the Issuer nor any of its subsidiaries is, or has been, in the 12 months preceding the date of this document, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and Euroclear Netherlands. The Capital Securities have been accepted for clearance through Euroclear Netherlands. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B 1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg and the address of Euroclear Netherlands (*Euroclear Nederland*) is Damrak 70, 1012 LM Amsterdam.

Post issuance information

The issuer does not intend to provide any post issuance information in relation to any issues of Instruments.

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