Rothschilds Continuation Finance PLC
(incorporated with limited liability in England and Wales under the Companies Act 1985 with registered number 4064727)

£2,000,000,000
Euro Medium Term Note Programme unconditionally and irrevocably guaranteed by
N M Rothschild & Sons Limited
(incorporated with limited liability in England and Wales under the Companies Act 1985 with registered number 925279)

On 20th February, 2001, Rothschilds Continuation Finance PLC (the “Issuer”) established a £300,000,000 Euro Medium Term Note Programme (the “Programme”) and issued an offering circular on that date describing the Programme. This Base Prospectus supersedes any offering circular or prospectus with respect to the Programme issued prior to the date hereof. Any Notes (as described below) issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect Notes issued prior to the date of this Base Prospectus.

Under the Programme, the Issuer may from time to time issue notes (the “Notes”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The payments of all amounts owing in respect of the Notes will be unconditionally and irrevocably guaranteed by N. M. Rothschild & Sons Limited (“NMR” or the “Guarantor”). In addition, an issue of Notes under the Programme may be guaranteed by H.M. Treasury under the U.K. government credit guarantee scheme. The Final Terms in respect of such issue will indicate this.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £2,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase in other currencies as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Application has been made to the Financial Services Authority (“FSA”) in its capacity as competent authority under the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”) (the “U.K. Listing Authority”) for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List maintained by the U.K. 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. The London Stock Exchange’s Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the “Markets in Financial Instruments Directive”). Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under the “Terms and Conditions of the Notes”) of Notes will be set out in the final terms (the “Final Terms”) which, with respect to Notes to be admitted to the Official List and admitted to trading by the London Stock Exchange, will be delivered to the U.K. Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

Prospective investors should consider carefully the risks set forth herein under “Risk Factors” on pages 12 to 18 prior to making investment decisions with respect to the Notes.

Any person (an “Investor”) intending to acquire or acquiring any Notes 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 this Prospectus under section 90 of the FSMA only if the Issuer has authorised the Offeror to make the offer to the Investor. Each Investor should therefore ensure whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for this Prospectus 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 whether it can rely on this Prospectus and/or who is responsible for its contents it should take legal advice.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and 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 Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. Such information will be provided by the Offeror at the time of the sub-offer of the Notes.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Notes.

This Base Prospectus constitutes a base prospectus (a “Base Prospectus”) for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and for the purpose of giving information with regard to the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor.

Where the applicable Final Terms of an issue of Notes indicates that an Eligibility Certificate (as defined in the HMT Guarantee (as defined under “Description of the 2008 Credit Guarantee Scheme”) in respect of such Notes has been issued then, in respect of such Notes, The Commissioners of her Majesty’s Treasury will unconditionally and irrevocably guarantee the due payment of all sums due and payable by the Issuer under such Notes (the “Guaranteed Notes”). All such Guaranteed Notes will be exempt from the Prospectus Directive in accordance with Article 1.2(d) thereof and no prospectus approved by the FSA will be prepared in connection therewith.

The Issuer, the Guarantor and BNY Corporate Trustee Services Limited (the “Trustee”) may agree with any Dealer that Notes may be issued prior to the date of this Base Prospectus.

Arranger
The Royal Bank of Scotland

Dealers
HSBC
J.P. Morgan
BoFA Merrill Lynch
Rabobank International
Société Générale Corporate and Investment Banking
The Royal Bank of Scotland

18 December 2009
The Issuer and the Guarantor accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the seventh paragraph on the first page of this Prospectus.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

Neither the Dealers nor the Trustee have 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 the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. Neither any Dealer nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor, the Trustee or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or 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 Guarantor.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied by the Issuer or the Guarantor (or any other party specifically authorised by the Issuer or the Guarantor to supply such information) 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 or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to United States (“U.S.”) tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to U.S. persons (see “Subscription and Sale” below).
This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Trustee and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Trustee or the Dealers (save for the approval of this document by the U.K. Listing Authority) which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the U.S., the European Economic Area (including the United Kingdom ("U.K.") and Japan (see “Subscription and Sale” below).

All references in this document to “U.S. dollars”, “U.S.$” and “$” refer to U.S. dollars, references to “Sterling” and “£” refer to pounds sterling and references to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

Notes may be rated or unrated. Where an issue of Notes is rated such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In the case of any Notes which are admitted to trading on a regulated market within the European Economic Area (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, the minimum denomination of such Notes shall be €1,000 (or its equivalent in any other currency as at the date of issue of the Notes).

All references in this document to “Group” shall be as defined in “Terms and Conditions of the Notes” below.

In connection with the issue of any Tranche of Notes, 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 Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) in accordance with all applicable laws and rules.
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Pursuant to the FSMA, in order to obtain a listing on the Official List and to be able to offer Notes to the public, the Issuer is obliged to prepare a base prospectus for the purposes of the Prospectus Directive that contains all such information which investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each of the Issuer and the Guarantor and the rights attaching to the Notes. In order to satisfy this obligation, the Issuer and the Guarantor are permitted in certain circumstances to rely upon information incorporated by reference into the documents that constitute a base prospectus.

This Base Prospectus should be read and construed with any amendment or supplement hereto and in conjunction with the audited annual financial statements for the financial years ended 31 March 2009 and 31 March 2008 of the Issuer, and, the audited and consolidated annual financial statements for the financial years ended 31 March 2009 and 31 March 2008 of the Guarantor together, in each case, with the audit reports thereon, each of which financial statements (i) have been previously published, (ii) have been approved by the FSA or filed with it and (iii) shall be deemed to be incorporated in, and form part of, this Base Prospectus save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is 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 be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Any supplements to this Base Prospectus and all Final Terms circulated by the Issuer or the Guarantor from time to time will incorporate by reference this Base Prospectus. Supplements to this Base Prospectus may also incorporate by reference other documents as specified therein.

The Issuer and the Guarantor will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the financial information which is incorporated herein by reference. Requests for such documents should be directed either to the Issuer or the Guarantor at its respective office set out at the end of this Base Prospectus.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the investment in any Notes, the Issuer and the Guarantor will prepare, in accordance with section 87G of the FSMA, a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. The Issuer and the Guarantor have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Base Prospectus, including any modification of the Terms and Conditions of the Notes or any material adverse change in the financial position of the Issuer or the Guarantor, the inclusion of which would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the Guarantor and the rights attaching to the Notes, the Issuer and the Guarantor will prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.
GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may, subject to compliance with all applicable laws, regulations and directives, from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes” below.

This Base Prospectus and any supplement will only be valid for issuance and, if applicable, admission of Notes to trading on the London Stock Exchange during the period of 12 months from the date of this Base Prospectus in an aggregate nominal amount which when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme does not exceed £2,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Sterling equivalent of the aggregate nominal amount of Notes from time to time:

(a) the sterling equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes” below) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of such Notes or on the day preceding the date on which such calculation is made such day being a day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of Sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the sterling equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes” below) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the sterling equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes” below) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.
SUMMARY OF THE PROGRAMME
AND
TERMS AND CONDITIONS OF THE NOTES

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before any legal proceedings are initiated.

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this summary, and references to a numbered “Condition” shall be to the relevant Condition under “Terms and Conditions of the Notes” below.

Issuer
Rothschilds Continuation Finance PLC

Guarantor
N. M. Rothschild & Sons Limited, or where the Final Terms so determine, H.M. Treasury under the U.K. government credit guarantee scheme.

Description:
Euro Medium Term Note Programme

The Issuer is a wholly-owned subsidiary of the Guarantor and is a finance vehicle for the issue of Notes. The Guarantor is an authorised institution under the FSMA with main business activities of investment banking; providing financial advice and execution expertise encompassing mergers and acquisitions, restructuring, debt advisory, private placements, privatisations and equity capital markets, and banking; including arranging and providing senior and subordinated finance, asset finance, property finance and leveraged finance.

The Guarantor and its subsidiaries had total consolidated assets of £3,961,040 million at 31 March 2009 and total consolidated operating income of £446,051 million for the year ended 31 March 2009.

Arranger:
The Royal Bank of Scotland plc

Dealers:
Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. (Rabobank International)
HSBC Bank plc
J.P. Morgan Securities Ltd.
Merrill Lynch International
Société Générale
The Royal Bank of Scotland plc
and any other Dealers appointed in accordance with the Programme Agreement.

Certain restrictions:
Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale” below).

Issuing and Principal Paying Agent:
The Bank of New York Mellon

Trustee:
BNY Corporate Trustee Services Limited
Currencies: Euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.

Redenomination: The applicable Final Terms may provide that certain Notes may be redenominated in euro.

Programme Size: Up to £2,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme” above) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Risk Factors: There are certain factors that may affect the Issuer’s and/or the Guarantor’s ability to fulfil its obligations under the Notes, including:

- the Issuer is a finance vehicle and is dependent upon payments from the Guarantor and other members of the Rothschild group of companies to meet its obligations under the Notes;
- the financial performance of the Guarantor is subject to borrower credit quality, inherent operational risks, reputational risk and economic and market conditions;
- many of the Guarantor’s businesses are subject to regulation and significant adverse regulatory developments could have an impact on the Guarantor’s business;
- given the potential impact of the Banking Act 2009 and the extent of the powers available to the Bank of England, the FSA and the U.K. Treasury, it is difficult to predict what effect the Banking Act 2009 or the exercise of powers under the Banking Act 2009 might have on the Issuer and the Guarantor; and
- the risk of litigation is inherent in the Guarantor’s business.

In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Notes, including:

- the Notes may not be a suitable investment for all investors;
- the risks relating to the structure of a particular issue of Notes; and
- the risks relating to the market for the Notes.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Maturities: Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such 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.

Issue Price: Notes 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.

Form of Notes: The Notes will be in bearer form and will, on issue, be represented by either a Temporary Global Note or a Permanent Global Note as specified in the applicable Final Terms. Subject to applicable legal and regulatory restrictions, each Global Note which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with the Common Depositary for Euroclear or Clearstream, Luxembourg, and each note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with the Common Safekeeper for Euroclear.
and Clearstream, Luxembourg. Temporary Global Notes will be exchangeable for either (i) interests in a Permanent Global Note or (ii) definitive Notes, as indicated in the applicable Final Terms. Permanent Global Notes will be exchangeable for definitive Notes upon either (i) not less than 60 days written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event.

Fixed Rate Notes:
Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

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

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

Index Linked Notes:
Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Interest Notes:
Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Linked Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

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

Zero Coupon Notes:
Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption: The applicable Final Terms will indicate either that the relevant Notes 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 that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders 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 Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which must be redeemed before the first anniversary of the date of their issue and in respect of which the issue proceeds are to be accepted by the Issuer in the U.K. or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such 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.

The minimum denomination of each note 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 its equivalent in other currencies).

If so specified in the relevant Final Terms in respect of any Notes with a minimum denomination of €50,000 (or its equivalent in another currency), such Notes may be tradeable only in the minimum authorised denomination of €50,000 (or its equivalent in another currency) and integral multiples of €1,000 (or equivalent in another currency) in excess thereof, notwithstanding that no definitive Notes will be issued with a denomination above €99,000.

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Tax Jurisdiction (as defined below), subject as provided in Condition 7. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 9.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the Negative Pledge) unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Guarantee: The Notes will be unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed. The obligations of the Guarantor under such guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of the Negative Pledge) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) will rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

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

Listing: Application has been made to admit Notes to the Official List and to admit them to trading on the London Stock Exchange’s Regulated Market. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

Governing Law: The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the U.S., the European Economic Area (including the U.K.) and 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” below).

United States Selling Restrictions: Regulation S, Category 2. TEFRA C or D, as specified in the applicable Final Terms.

Use of proceeds: The net proceeds from the sale of Notes will be used for general corporate purposes.
RISK FACTORS

Prospective investors should consider carefully the risks set forth below which may affect the ability of the Issuer or the Guarantor to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Notes, but they may not be exhaustive. The inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer or the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views after consultation with their own legal, tax and other professional advisers, prior to deciding whether an investment in the Notes is suitable.

Factors that may affect the Issuer’s ability to fulfil its obligations in respect of the Notes

The Issuer is a finance vehicle

The Issuer is a finance vehicle for the Rothschild group of companies. Its business is the raising of funds for the purpose of on-lending to the Guarantor and other members of the Rothschild group. To date, the proceeds of the Notes and other funds raised by the Issuer have been on-lent to the Guarantor, and the ability of the Issuer to fulfil its obligations under the Notes will depend upon payments made to it by the Guarantor and any other members of the Rothschild group in respect of the loans made to them by the Issuer.

Factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee

The Guarantor is exposed to a variety of risks, the most significant of which are credit risk, operational risk, reputational risk, liquidity risk, market risk and people risk

Credit risk

The lending businesses of the Guarantor are subject to inherent risks relating to borrower credit quality and the recoverability of loans and amounts due from counterparties. Adverse changes in the credit quality of the Guarantor’s borrowers and counterparties, a general deterioration in economic conditions or systemic risks in financial systems could affect the recoverability and value of the Guarantor’s assets and require increased allowances for credit losses. Changes in economic conditions may result in deterioration in the value of security held against loans and advances and may increase the risk of loss in the event of borrower default.

Operational risk

Operational risks include the risk of loss as a result of fraud, errors by employees, failure in systems and processes as a result of internal or external events, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failure, natural disasters, terrorist attacks, disease epidemics or the failure of clearing systems, exchanges or other external systems such as those of the Guarantor’s suppliers, counterparties or financial intermediaries. Although the Guarantor has implemented risk controls and loss mitigation actions and devotes resources to developing internal procedures and controls and to staff training, it is not possible to be certain that such procedures and controls will be effective in controlling each of the operational risks of the Guarantor.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Guarantor will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FSA.

Reputational risk

The financial performance of the Guarantor could be adversely affected by damage to its reputation. The Guarantor takes steps to protect itself against reputational risk by means of its internal controls and processes, including formal approval processes for new business and operational procedures for the conduct of business, and for minimising the risk of conflicts of interest. However, should an event occur
which damages the Guarantor’s reputation, this could result in a loss of business which would have an adverse impact on the results of the Guarantor.

Liquidity risk
The inability of the Guarantor to raise or renew funding or to access lending markets to meet its financial obligations could have adverse consequences on its ability to meet its obligations when they fall due. Liquidity risk is inherent in banking operations and can be heightened by an over-reliance on a particular source of funding, changes in credit rating or by market-wide phenomena such as market dislocation and major disasters. The Guarantor has implemented liquidity management and monitoring processes designed to maintain a diverse and appropriate funding strategy for its operations and to control the mis-match of maturities and carefully monitor its undrawn commitments and contingent liabilities. However, it is not possible to predict with accuracy all circumstances that might affect the Guarantor’s liquidity and the Guarantor’s ability to access sources of liquidity may be constrained as a result of circumstances beyond its control such as market-wide liquidity stress.

Market risk
The Guarantor’s businesses are subject to the risk of market fluctuations. In particular, the Guarantor is exposed to the level of volatility of interest rates, currency values and equity market indices. Changes in interest rates, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates affect the value of assets and liabilities and may affect foreign exchange dealing results. The performance of financial markets may cause changes in the value of the Guarantor’s investment and trading portfolios. The Guarantor has implemented risk management processes to mitigate and control the market risks to which it is exposed. However, it is difficult to predict with accuracy changes in market conditions and to anticipate the effect that such changes could have on the Guarantor’s financial performance and business operations. In addition, the Guarantor’s defined benefit pension scheme (closed as of 1 April 2003) faces principally equity market risk and interest rate risk: adverse market movements would have an effect upon the financial condition of the scheme, which would be reflected in the Guarantor’s financial statements.

People risk
The Guarantor’s revenues may be adversely affected by an inability to attract and retain high calibre specialist staff, or by a failure to plan succession effectively. A substantial proportion of the Guarantor’s revenues is derived from fees for the provision of specialist advice. Loss of key staff could have an adverse effect on the Guarantor’s revenue generation and competitive position.

The Guarantor’s financial performance is affected by general economic and market conditions
A general deterioration in U.K., European or global economic conditions or systemic risks in financial systems could adversely affect the profitability of the Guarantor and the recoverability and value of its assets. Equity market conditions and levels of corporate activity could affect the profitability of the Guarantor’s investment banking business.

Current market volatility and recent market developments could have a negative impact on the Guarantor
Significant declines in the value of assets can contribute to significant write-downs by financial institutions, causing them to seek additional capital, to merge with other institutions and, in extreme cases, to fail. This can increase concern about the stability of the financial markets generally and the strength of counterparties, causing lenders and institutional investors to reduce substantially and, in some cases, to halt their funding to borrowers, including other financial institutions.

The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect the Guarantor’s business, financial condition and results of operations.

Many of the Guarantor’s businesses are subject to regulation and regulatory overview. Any significant adverse regulatory developments could have an impact on the Guarantor’s businesses and/or the value of its assets
The Guarantor conducts its businesses subject to financial services laws, policies, supervision and regulations. Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions.
institutions. These and further material changes in tax or other laws, supervision, policies and regulations applicable to the Guarantor whether resulting from recent events in the credit markets or otherwise, could adversely affect the Guarantor’s businesses, the products and services it offers or the value of its assets.

**Banking Act 2009**

The Banking Act 2009 received Royal Assent on 12 February 2009 and most of the provisions of the Act came into force on 21 February 2009. The powers under the Banking Act 2009, which are conferred on the U.K. Treasury, the FSA and the Bank of England (the “Authorities”), are wide-ranging and allow the Authorities to override, in certain circumstances and within a defined legal framework, contractual and proprietary rights.

The Banking Act 2009 creates a special resolution regime (“SRR”) for dealing with U.K.-incorporated deposit-taking institutions that get into financial difficulties. The SRR comprises (1) three stabilisation options: the ability to transfer all or part of a failing bank or building society to (i) a private sector third party, (ii) a publicly controlled bridge bank, or (iii) temporary public sector ownership; (2) a bank/building society insolvency procedure; and (3) a bank/building society administration procedure. The Banking Act 2009 also includes provisions in relation to the operation and payment of compensation under the Financial Services Compensation Scheme and the regulation and enforcement of rules for intra-bank payments.

Given the extent of the Authorities’ powers under the Banking Act 2009, it is difficult to predict what effect their exercise might have on the Issuer and the Guarantor.

**The risk of litigation is inherent in the Guarantor’s business**

The Guarantor and its subsidiaries operate in a legal and regulatory environment that exposes them to potentially significant litigation and regulatory risk. In the ordinary course of the Guarantor’s business, legal actions and claims against the Guarantor may arise; the publicity associated with, and the outcome of, such legal proceedings could adversely affect the business, results of operations and financial performance of the Guarantor.

**The Guarantor may be required to increase its contributions to its pension scheme and may be required to provide capital for pensions risk**

The Guarantor operates a defined benefit pension scheme. The Guarantor is consequently exposed to the risk that the contributions required to be made to this scheme increase due to changes in factors such as investment performance, the rates used to discount liabilities, life expectancies and the requirements of the FSA’s regulatory regime for capital provision.

Changes in the regulatory and funding environment in respect of the defined benefit pension scheme could result in the Guarantor being required to increase significantly its future cash funding of the scheme and/or being required to re-allocate capital to the scheme. Any requirement for the Guarantor to increase its contributions, or to provide more capital, could have a material adverse effect on the Group’s financial performance and prospects.

In addition, the Guarantor’s defined benefit pension scheme deficits are calculated on an IAS19 basis. Under applicable legislation, however, the pension scheme trustees may adopt a funding basis which results in a significantly higher deficit within those schemes than if calculated on an IAS19 basis. Accordingly, the contributions necessary to remedy those deficits may be significantly higher than the IAS19 position would suggest which could have a material adverse effect on the Guarantor’s cashflow.

**Restricted access to funding or capital markets or an increase in funding costs could have a material adverse effect on the Guarantor’s financial condition and prospects**

The Guarantor’s principal sources of funding for its banking activities are customer and interbank deposits and the issuance of medium term notes. The availability and cost of funding in these markets is influenced by the Guarantor’s credit rating. The continued ability of the Guarantor to access new and existing funding sources on favourable economic terms in the future is dependent on a variety of factors including general market conditions. Any significant deterioration in the availability or cost of funding could have a material adverse effect on the Guarantor’s financial performance and prospects.
The Guarantor's future financial performance and financial strength depend on strategic decisions regarding the nature, scale and risk profile of the businesses in which the Guarantor is engaged

The Guarantor devotes management resources to strategic planning for the development of its existing core businesses and to the assessment of opportunities for development in new business areas. The Guarantor’s business strategy takes into account its access to funding, capital and other resources and the risk appetite of the Guarantor and its group. If the Guarantor’s strategy for the development of its businesses does not meet with success in a highly competitive market, the financial performance and strength of the Guarantor could be adversely affected.

The Programme's credit ratings may not reflect all of the risks of an investment in the Notes

The credit ratings of the Programme may not reflect the potential impact of all risks related to structure and other factors on any trading market. In addition, real or anticipated changes in the credit rating of the Programme will generally affect any trading market for, or trading value, of the Notes.

Terrorist acts, acts of war or a global pandemic could have a negative impact on the business and results of operations of the Guarantor

Terrorist acts, other acts of war or hostility, or a global pandemic and responses to those events may create economic and political uncertainties which could have a negative impact on U.K. and international economic conditions generally, and more specifically on the business and results of the Guarantor, in ways that cannot be predicted.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.
**Notes issued at a substantial discount**
The market values of securities issued at a substantial discount to their nominal amount tend to fluctuate more as a result of general changes in interest rates than do prices for conventional nondiscounted interest-bearing securities.

**Notes redeemable at the Issuer’s Option**
Notes which are redeemable at the option of the Issuer (because of inclusion of a call option in the applicable Final Terms, for the tax related reasons provided in the Conditions or for other specified reasons) may be redeemed at times when prevailing interest rates may be lower than the rate borne by such Notes. As a result, the holders of such Notes may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as that of the relevant Notes. In addition, the Issuer’s ability to redeem such Notes at its option is likely to affect the market value of such Notes. In particular, as the redemption date approaches, the market value of such Notes generally will not rise substantially above the redemption price because of the optional redemption feature.

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

**Index Linked Notes and Dual Currency Notes**
Notes may be issued which have principal, premium and/or interest determined by reference to an index or formula, to changes to the prices of securities or commodities, to movements in currency exchange rates or other factors and these have significant risks that are not associated with a conventional fixed rate or floating rate debt security. Such risks include fluctuation of the particular indices or formulae and the possibility that an investor will receive a lower amount of principal, premium or interest and at different times than expected. In recent years, values of indices and formulae have been volatile and investors should be aware that volatility may occur in the future. In addition if a formula is used to calculate an amount payable on the Notes which includes a multiple or leverage factor, the effect of a fluctuation may be magnified. Also, potential investors should be aware that the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated.

**Risks related to the market generally**

**An active trading market may not develop for the Notes**
Upon issue, the Notes will be a new issue of securities for which there is no trading market and one may never develop. If such a market were to develop, the Notes could trade at prices which may be higher or lower than the initial offering price. Notes issued with specific investment objectives or strategies will have a more limited trading market and may experience more price volatility. Prospective investors should be aware that, at the time they wish to sell their Notes, there may be few or no investors willing to buy the Notes.

**Exchange rates and exchange controls**
Notes and/or coupon payments may be denominated in, or may be determined by reference to the value of, a currency or composite currency. Significant risks are entailed if such currency is other than the currency in which the prospective investor’s financial activities are denominated. Such risks include the possibility of significant changes in the currency exchange rates and the risk of imposition or modification of foreign exchange controls by the relevant government. Depreciation of the currency in which a Note is denominated would result in a decrease in the effective yield of such Note and, in certain circumstances, could result in a loss to the investor.
Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, and premium, if any, or interest, if any, on a Note.

**Interest rate risks**
Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

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

**Regulatory or tax consequences of holding the Notes**
Investors may be subject to regulatory or tax restrictions which may effectively restrict or prohibit their investment in certain debt securities such as the Notes.

**Risks related to the Notes generally**
Set out below is a brief description of certain risks relating to the Notes generally:

**Trading in the clearing systems**
In relation to any Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

**Notes may be delisted**
Notes may be de-listed despite the best efforts of the Issuer and the Guarantor to maintain a listing for Notes which the applicable Final Terms provide are to be listed. Although no assurance is made as to the liquidity of the Notes as a result of listing by the U.K. Listing Authority or by any Stock Exchange, delisting the Notes may have a material effect on a Noteholder’s ability to resell the Notes in the secondary market.

**Investors have no shareholder rights**
As an owner of Notes, investors will not have voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to any underlying security or index.

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

**EU Savings Directive**
Under Council Directive 2003/48/EC on the taxation of savings income Member States are required to provide to the tax authorities of another Member State details of payments of interest and other 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.

Similar income for this purpose includes payments on redemption of the Notes representing any discount on the issue of the Notes or any premium payable on redemption.

However, for a transitional period Austria, Belgium and Luxembourg are instead required (unless during such period they elect otherwise) to operate a withholding tax in relation to such payments deducting tax at rates rising over time to 35 per cent. Belgium has announced that it will operate information reporting from 1 January 2010. The transitional period will end after agreement on exchange of information is
reached between the European Union and certain non-European Union states. No withholding will be required where the Noteholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom.

Also a number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted 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 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 in one of those territories.

If a payment were to be made or collected through a Member State, or a non-EU country or territory, 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.

**Applicable Law**

The conditions of the Notes and the Guarantee are governed by English law in effect as of the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

**Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.
On 13 October 2008, the U.K. Government announced a credit guarantee scheme for bank and building society debt issuance (the “Scheme”). The Issuer has applied and become eligible to take part in the Scheme.

Where the applicable Final Terms of an issue of Notes under the Programme indicates that an Eligibility Certificate (as defined in the HMT Guarantee (as defined below)) in respect of such Notes has been issued then, in respect of such Notes, The Commissioners of Her Majesty’s Treasury (“HM Treasury”) will unconditionally and irrevocably guarantee the due payment of all sums due and payable by the Issuer under the Trust Deed and constituting such Notes (the “Guaranteed Notes”).

All such Guaranteed Notes will be exempt from the Prospectus Directive in accordance with Article 1.2(d) thereof and no prospectus approved by the FSA will be prepared in connection therewith.

HM Treasury’s obligations relating to the Scheme are contained in a Deed of Guarantee (the “HMT Guarantee”) dated 13 October 2008 as supplemented on 20 October 2008 and 6 February 2009, the form of which is available at www.dmo.gov.uk. The Trustee has not received a legal opinion in respect of the HMT Guarantee.

If HM Treasury is required to make a payment under the HMT Guarantee, the payment may attract U.K. withholding tax. Investors should note that in the event that any payment made by HM Treasury in respect of the HMT Guarantee is made subject to deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of any nature, no additional amounts shall be payable by the Issuer, the Guarantor, HM Treasury, the Trustee, any Paying Agent or any other person in respect of such deduction or withholding.

HM Treasury has neither reviewed the Base Prospectus nor verified the information contained in it, and HM Treasury makes no representation with respect to, and does not accept any responsibility for, the contents of the Base Prospectus or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue and offering of the Guaranteed Notes. HM Treasury accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of the Base Prospectus, or any such related statement.
FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a “Temporary Global Note”) or, if so specified in the applicable Final Terms, a permanent Global Note (a “Permanent Global Note” and, together with a Temporary Global Note, the “Global Notes” and each a “Global Note”) 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 S.A./N.V., (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and

(ii) if the Global Notes are issued in Classic Global Note (“CGN”) form because they are not intended to be recognisable as eligible collateral for Eurosystem monetary policy and intra-day credit operations, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “Common Depositary”) for Euroclear and Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “ECB”) announced that Notes in NGN form are in compliance with the “Standards for use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “Eurosystem”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN is used.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is intended to be issued in CGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U. S. persons or persons who have purchased for resale to any U. S. person, as required by U. S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “Exchange Date”) which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein for either (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series (notwithstanding that the relevant Final Terms may specify that no definitive Notes will be issued with a denomination above £99,000) with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts due on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is intended to be issued in CGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes
represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is delivered to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections of the Internal Revenue Code of 1986, as amended (the “Code”), referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes” below), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.
FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes.

[Date]

ROTHSCHILDS CONTINUATION FINANCE PLC

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by N. M. Rothschild & Sons Limited under the
£2,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 December 2009 [and the supplemental Base Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing during normal business hours at [address] [and] [website] and copies may be obtained from [address].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus dated 18 December 2009 [and the supplemental Base Prospectus dated [●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [●] and are attached hereto. 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 Base Prospectuses dated [original date] and 18 December 2009 [and the supplemental Base Prospectuses dated [●] and [●]. [The Base Prospectuses [and the supplemental Base Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[The following alternative language applies if the issue is a guaranteed issue under the CGS]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated 18 December 2009 (the “Exempt Prospectus”, which, for the purposes of this issue of Notes, does not constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC). This document constitutes the Final Terms of the Notes and must be read in conjunction with such Exempt Prospectus. 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 Exempt Prospectus. The Exempt Prospectus is available for viewing at:

[insert URL]

The Issuer has received an Eligibility Certificate (as defined in the Guarantee (as defined below)) in relation to the Notes. Accordingly, the Commissioners of Her Majesty’s Treasury (the “Guarantor”) have unconditionally and irrevocably guaranteed the due payment of all sums due and payable by the Issuer under the Notes.

The Guarantor’s obligations in that respect are contained in a deed of guarantee dated 13 October 2008, as amended by supplemental deeds on 20 October 2008 and 6 February 2009 and as further amended from time to time (the “Guarantee”), the form of which is available at http://www.dmo.gov.uk.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs.]
When completing Final Terms or adding any other Final Terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.

1. (i) Issuer: Rothschilds Continuation Finance PLC
   (ii) [Guarantor]/[Subject to the 2008 Credit Guarantee Scheme] and therefore exempt from the requirements of the Prospectus Directive

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. Issue Price: [ ] per cent. of the Aggregate Nominal Amount of Notes [plus accrued interest from [insert date] (if applicable)]

6. (i) Specified Denominations¹:
   [ ]
   (If the specified denomination is expressed to be €50,000 or its equivalent and multiples of a lower nominal amount (e.g. €1,000) insert the following sample wording:
   “€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000.”)

   (ii) Calculation Amount: [ ]

7. (i) Issue Date: [ ]
   (ii) Interest Commencement Date: [Specify: Issue Date/Not Applicable]

8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

9. Interest Basis
   [(●) per cent. Fixed Rate]
   [(●) Specify reference rate] +/- (●) per cent. Floating Rate]
   [Zero Coupon]
   [Index Linked Interest]
   [Other (specify)]
   (further particulars specified below)

¹Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the U.K. or whose issue would otherwise constitute a contravention of section 19 of the FSMA and which must be redeemed before the first anniversary of the date of their issue must have a minimum denomination of £100,000 (or its equivalent in other currencies).
10. Redemption/Payment Basis: [Redemption at par] 
[Index Linked Redemption] 
[Partly Paid] 
[Other (specify)]

11. Change of Interest Basis or Redemption/Payment Basis [Specify details of any provision for convertibility of Notes into another Interest Basis or Redemption/Payment Basis]

12. Investor Put/Issuer Call Options: [Investor Put] [Issuer Call] [(further particulars specified below)]

13. (i) Status of the Notes: Senior 
(ii) Status of the Guarantee: Senior 
(iii) [Date [Board] approval for issuance of Notes [and Guarantee obtained]] [ and [ ], respectively]] 
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate 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/monthly/other (specify)] in arrear]

(ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [specify Business Day Convention and any Applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]

(iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount

(iv) Broken Amount[(s)]: [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]

(v) Day Count Fraction: [30/360] or [Actual/Actual (ICMA/ISDA)] [other (specify)]

(vi) [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. Only relevant where the Fixed Day Count Fraction is Actual/Actual (ICMA)]

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable] 
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Interest Period(s): [ ]

(ii) Specified Interest Payment Dates: [ ]

(iii) First Interest Payment Date: [ ]
(iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(v) Business Centre(s): [ ]

(vi) Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [ ]

(viii) Screen Rate Determination:
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]

(ix) ISDA Determination:
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]

(x) Margin(s): [+/-][ ] per cent. per annum

(xi) Minimum Rate of Interest: [ ] per cent. per annum

(xii) Maximum Rate of Interest: [ ] per cent. per annum

(xiii) Day Count Fraction: [ ]

(xiv) Fall back provisions, rounding provisions, and any other terms relating to the method of calculating interest on Floating Rate Notes, including if different from those set out in the Conditions: [ ]

17. **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: [ ]

18. **Index Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
   (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Index/Formula/other variable: [give or annex details]

(ii) Party responsible for calculating the principal and/or interest due (if not the Agent): [ ]

(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [ ]

(iv) Determination Date(s): [ ]
(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

(vi) Interest or calculation period(s):

(vii) Specified Interest Payment Dates:

(viii) Business Day Convention:

(ix) Business Centre(s)

(x) Minimum Rate of Interest/ Interest Amount:

(xi) Maximum Rate of Interest/ Interest Amount:

(xii) Day Count Fraction:

19. **Dual Currency Note Provisions**

   (i) Rate of Exchange/method of calculating Rate of Exchange:

   (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):

   (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:

   (iv) Person at whose option Specified Currency(ies) is/are payable:

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call**

   (i) Optional Redemption Date(s):

   (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):

   (iii) If redeemable in part:

   (a) Minimum Redemption Amount:

   (b) Maximum Redemption Amount:

   (iv) Notice period

21. **Investor Put**

   (i) Optional Redemption Date(s):
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

(iii) Notice period: [ ]

22. **Final Redemption Amount of each Note**

In cases where the Final Redemption Amount is Index Linked or other variable-linked:

(i) Index/Formula/variable: [give or annex details]

(ii) Party responsible for calculating the Final Redemption Amount (if not the Agent): [ ]

(iii) Provisions for determining the Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]

(iv) Determination Date(s): [ ]

(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]

(vi) Payment Date: [ ]

(vii) Minimum Final Redemption Amount: [ ] per Calculation Amount

(viii) Maximum Final Redemption Amount: [ ] per Calculation Amount

23. **Early Redemption Amount:**

Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

24. **Form of Notes:**

**Bearer Notes:**

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

[Temporary Global Note exchangeable for Definitive Notes on [ ] days notice]

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

*N.B. the exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000”*

25. **New Global Note:**

[Yes][No]
26. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(ii), 16(v) and 18(ix) relate]

27. 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]

28. 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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

29. Details relating to Instalment Notes: [Not Applicable/give details]
   (i) Instalment Amount(s):
   (ii) Instalment Date(s):

30. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions [in Condition ● apply]

31. Consolidation provisions: [Not Applicable/Give details]

32. 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 Supplementary Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION
33. (i) If syndicated, names [and addresses]* of Managers [and underwriting commitments]*: [Not Applicable/give details [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 (if any) [Not Applicable/give name]

34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]

35. [Total commission and concession: [[ ] per cent. of the Aggregate Nominal Amount]*

36. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA rules not applicable]

37. [Non-exempt Offer: [Not Applicable]/[An offer of the Notes may be made by the Managers [and [specify if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have
been passported] (Public Offer Jurisdictions) during the period from [specify date] until [specify date] (Offer Period). See further paragraph 10 of Part B below.

38. Additional selling restrictions [Not Applicable/give details]

* Delete if the minimum denomination is €50,000 (or equivalent) or above

PURPOSE OF FINAL TERMS
These Final Terms comprise the final terms required for issue and admission to trading of the Notes described herein pursuant to the Issuer’s £2,000,000,000 Euro Medium Term Note Programme.

RESPONSIBILITY
The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [Relevant third party information] has been extracted from [specify source]. Each of the Issuer and the Guarantor confirm 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

Signed on behalf of the Guarantor:

By:..............................................................

Duly authorised
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] with effect from [ ]. [Other] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. RATINGS

Ratings:

[The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody’s: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]  

(The above disclosure should reflect the rating allocated to particular Notes where the issue has been specifically rated.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusions of the following statement:

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

[When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a Supplementary Prospectus 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 Prospectus if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here)]

[(iii) 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 (e.g. legal fees)]

(N.B.: If the Notes 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. Fixed Rate Notes only – YIELD

Indication of yield: [ ]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

As set out above,* the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [Floating Rate Notes only – HISTORIC INTEREST RATES]

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

7. Index Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING AND POST ISSUANCE INFORMATION

[Need to include details of where past and future performance and volatility of the index/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index 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 Prospectus 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. Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

[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.]*

[(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 Prospectus under Article 16 of the Prospectus Directive.)]

9. OPERATIONAL INFORMATION

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) 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)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of initial Paying Agent(s): [ ]

(vi) Names and addresses of additional Paying Agent(s) (if any): [ ]
(vii) Notes 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 international central securities depositaries as common safekeeper 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 Notes must be issued in NGN form]

10. TERMS AND CONDITIONS OF THE OFFER
(i) Offer Price: [Issue Price][specify]
(ii) Conditions to which the offer is subject: [Not Applicable/give details]
(iii) Description of the application process: [Not Applicable/give details]
(iv) Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable/give details]
(v) Details of the minimum and/or maximum amount of application: [Not Applicable/give details]
(vi) Details of the method and time limits for paying up the Notes and delivering the Notes: [Not Applicable/give details]
(vii) Manner and date in which results of the offer are to be made public: [Not Applicable/give details]
(viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]
(ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/give details]
(x) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not Applicable/give details]
(xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]
(xii) Name(s) and address(es), to the extent known to the Issuer, of the Placers in the various countries where the offer takes place: [None/give details]

* Delete if the minimum denomination is €50,000 (or equivalent) or above
TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Rothschilds Continuation Finance PLC (the “Issuer”) constituted by an amended and restated Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 18 December 2009, made, inter alia between the Issuer, N. M. Rothschild & Sons Limited (the “Guarantor”) as guarantor and BNY Corporate Trustee Services Limited (the “Trustee”, which expression shall include any successor as trustee).

References in these Terms and Conditions to the “Notes” shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note being either a classic Global Note (“CGN”) or a new Global Note (“NGN”); and

(iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated 18 December 2009 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) and made between the Issuer, the Guarantor, the Bank of New York Mellon as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent), the other paying agents named therein (together with the Agent, unless the context otherwise requires, the “Paying Agents”, which expression shall include any additional or successor paying agents) and the Trustee.

Interest bearing definitive Notes have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References in these Terms and Conditions to the “applicable Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms are available for viewing during normal business hours at the principal office for the time being of the Trustee (being at 18 December 2009 at One Canada Square, London E14 5AL) and at the specified office of each of the Paying Agents save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and/or relating to a Note 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 Base Prospectus is required to be published under the Prospectus Directive, and such Noteholder must produce evidence satisfactory to the Trustee or, as the case may be, 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 Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed or the 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 Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, the Trustee and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes in NGN form, be deemed to include a reference to any additional or alternative
clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

2. Status of the Notes and the Guarantee
   (a) Status of the Notes
   The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

   (b) Status of the Guarantee
   The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “Guarantee”). The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. Negative Pledge
   (a) Negative Pledges
   So long as any of the Notes remains outstanding:

   (i) the Issuer will not (except as otherwise required by law or a court of competent jurisdiction) create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “Security Interest”) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer shall, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

      (A) all amounts payable by it under the Notes, the Receipts, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

      (B) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (1) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (2) as shall be approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the Noteholders; and

   (ii) the Guarantor (except as otherwise required by law or a court of competent jurisdiction) will ensure that no Relevant Indebtedness of the Guarantor or any Relevant Subsidiary will be secured by any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor or any of its Relevant Subsidiaries unless the Guarantor shall, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

      (A) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

      (B) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (1) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (2) as shall be approved by an Extraordinary Resolution of the Noteholders.
(b) Definitions

For the purposes of these Terms and Conditions:

(i) “Excluded Subsidiary” means any Subsidiary which has been designated as such by the Guarantor whose primary purpose is to acquire assets for the purpose of issuing debt secured on such assets and where recourse in respect of such debt is limited to such assets;

(ii) “Group” means the Guarantor and its Subsidiaries;

(iii) “Relevant Indebtedness” means (A) any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (B) any guarantee or indemnity in respect of any such indebtedness;

(iv) “Relevant Subsidiary” means a Subsidiary of the Guarantor (other than an Excluded Subsidiary):

(A) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten per cent. of the consolidated total assets of the Group, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Group; or

(B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately before the transfer is a Relevant Subsidiary whereupon the transferor shall cease to be a Relevant Subsidiary;

(v) “Subsidiary” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) to (but excluding) the Maturity Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate of Interest so specified. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment 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 Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount as specified in the applicable Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date or the Issue Date, as the case may be), to (but excluding) the next (or first) Interest Payment Date or Maturity Date.

Unless specified otherwise in the applicable Final Terms, the “Following Business Day Convention” will apply to the payment of all Fixed Rate Notes, meaning that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due. If the “Modified Following Business Day Convention” is specified in the applicable Final Terms for any Fixed Rate Note, it shall mean that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due unless it would thereby fall into the next calendar month in which event the full amount of payment shall be made on the immediately preceding Business Day as if made on the day such payment was due. Unless specified otherwise in the applicable Final Terms, the amount of interest due shall not be changed if payment is made on a day other than an Interest Payment Date.
or the Maturity Date as a result of the application of a Business Day Convention specified above or other Business Day Convention specified in the applicable Final Terms.

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:

(i) 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

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction (as specified in the applicable Final Terms) 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.

In these Terms and Conditions, “Fixed Day Count Fraction” means (unless specified otherwise in the applicable Final Terms):

(i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

1. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

2. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(ii) if “30/360” is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next scheduled Interest Payment Date or the Maturity Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360 and, in the case of an incomplete month, the number of days elapsed; and

“Determination Period” means each period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and
“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) and, unless specified otherwise in the applicable Final Terms, at the rate equal to the Rate of Interest payable in arrear on the Maturity Date and on either:

(A) the Specified Interest Payment Date(s) (each, together with the Maturity Date, an “Interest Payment Date”) in each year specified in the applicable Final Terms; or

(B) If no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with the Maturity Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date or Issue Date, as applicable.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is:

(1) in the case where a Specified Period is specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below in this sub-paragraph (1) shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “Business Day” means (unless otherwise stated in the applicable Final Terms) a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any other place as is specified in the applicable Final Terms (each an “Additional Business Centre”); and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency
deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any other Additional Business Centre specified in the applicable Final Terms) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the “TARGET2 System”) is open. Unless otherwise provided in the applicable Final Terms, the principal financial centre of any country for the purpose of these Terms and Conditions shall be as provided in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) as supplemented, amended and updated as of the first Issue Date of the Notes of the relevant Series (the “ISDA Definitions”) (except if the Specified Currency is Australian dollars or New Zealand dollars the principal financial centre shall be Sydney and Auckland, respectively).

(ii) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) **ISDA Determination**

Unless specified otherwise in the applicable Final Terms, where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii) unless specified otherwise in the applicable Final Terms, “ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any)” for an Interest Period means a rate equal to the Floating Rate that would be determined under an interest rate swap transaction under the terms of an agreement (regardless of any event of default or termination event thereunder) incorporating the ISDA Definitions with the holder of the relevant Note under which:

(A) the manner in which the Rate of Interest is to be determined is the “Floating Rate Option” as specified in the applicable Final Terms;

(B) the Issuer is the “Floating Rate Payer”;

(C) the Agent or other person specified in the applicable Final Terms is the “Calculation Agent”;  

(D) the Interest Commencement Date is the “Effective Date”;  

(E) the Aggregate Nominal Amount of Notes is the “Notional Amount”;  

(F) the relevant Interest Period is the “Designated Maturity” as specified in the applicable Final Terms;  

(G) the Margin is the “Spread”;  

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

(I) all other terms are as specified in the applicable Final Terms.

When this sub-paragraph (iii) applies, unless specified otherwise in the applicable Final Terms with respect to each relevant Interest Payment Date:

(A) the amount of interest determined for such Interest Payment Date shall be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though calculated under sub-paragraph (vi) below; and  

(B) (i) “Floating Rate”, “Floating Rate Option”, “Floating Rate Payer”, “Effective Date”, “Notional Amount”, “Floating Rate Payer Payment Dates”, “Spread”, “Calculation Agent”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions; and (ii) “Euro-zone” means the region comprised of the
Member States of the European Union that adopt the single currency in accordance with
the Treaty establishing the European Community, as amended).

(iv) **Screen Rate Determination for Floating Rate Notes**

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

(A) the quotation offered (if there is only one quotation on the Relevant Screen Page); or
(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being
rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate (as specified in the
applicable Final Terms) for deposits in the Specified Currency for that Interest Period which
appears or appear, as the case may be, on the Relevant Screen Page (as specified in the
applicable Final Terms) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time,
in the case of EURIBOR) on the Interest Determination Date (as indicated in the applicable
Final Terms) in question plus or minus (as indicated in the applicable Final Terms) the Margin
(if any), all as determined by the Agent (or such other Calculation Agent specified in the
applicable Final Terms). Unless specified otherwise in the applicable Final Terms, if five or
more such offered quotations are available on the Relevant Screen Page, the highest (or, if
there is more than one such highest rate, one only of such rates) and the lowest (or, if there is
more than one such lowest rate, one only of such rates) shall be disregarded by the Agent (or
such other Calculation Agent specified in the applicable Final Terms) for the purpose of
determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

(v) **Minimum and/or Maximum Rate of Interest**

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 any such Interest Period determined in
accordance with the above provisions 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 any such Interest Period determined in accordance with
the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for
such Interest Period shall be such Maximum Rate of Interest.

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

The Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in
the applicable Final Terms) will calculate the amount of interest (the “Interest Amount”)
payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest
Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest 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 or Index Linked Interest Notes in definitive form, the
Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction (as specified in
the applicable Final Terms) 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 or as specified in the applicable Final Terms. Without prejudice to sub-paragraph (viii) below, the determination of the Rate of Interest and calculation of each Interest Amount by the Agent (or the Calculation Agent specified in the applicable Final Terms if the Agent is not the Calculation Agent) shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on all parties. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest 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.

“Day Count Fraction” means, unless specified otherwise in the applicable Final Terms, in respect of the calculation of an amount of interest for any Interest Period:

(A) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the 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);

(B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(D) 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:

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

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

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

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

“\(D_1\)” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case \(D_1\) will be 30; and

“\(D_2\)” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and \(D_1\) is greater than 29, in which case \(D_2\) will be 30;

(E) 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:

“\(Y_1\)” 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;

(F) 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:

\[
\text{Day Count Fraction} = \frac{[360 \times (Y₂ - Y₁)] + [30 \times (M₂ - M₁)] + (D₂ - D₁)}{360}
\]

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; and

(G) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the 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.

(vii) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if applicable), and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being admitted to trading and listed and will cause notice thereof to be published or given in accordance with Condition 14 as soon as possible after their determination but in no event later than the earlier of the fourth London Business Day thereafter or the first Business Day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid or prior notice in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Any such amendment or alternative arrangements will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being admitted to trading or listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.
(viii) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent or, as the case may be, the Calculation Agent defaults in its obligations to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with paragraph (iv) above or as otherwise specified in the applicable Final Terms, as the case may be, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 4, but subject always to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(ix) Certificates to be Final

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

(c) Index Linked Interest Notes, Index Linked Redemption Notes and Dual Currency Notes

In the case of Index Linked Interest Notes, Index Linked Redemption Notes or Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an index and/or a formula or, as the case may be, an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) Partly Paid Notes

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

(e) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note to be redeemed) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the rate of interest then applicable or at such other rate as may be specified in the applicable Final Terms until the earlier of (i) the day on which, upon due presentation or surrender of such Note (if required), the relevant payment is made; and (ii) the seventh day after the date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholders).

5. Payments

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments 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 7.

(b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (“U.S.”) (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.
(c) Payments in respect of CGN Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note which is a CGN will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the U.S.A. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it is presented and such record shall be prima facie evidence that the payment in question has been made.

(d) Payments in respect of NGN Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note which is an NGN will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note through Clearstream, Luxembourg and/or Euroclear. A record of each payment made for any Global Note, distinguishing between any payment of principal and any payment of interest, will be entered into the records of Clearstream, Luxembourg and/or Euroclear and such record will be prima facie evidence that the payment in question has been made.

(e) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the U.S. if:

(i) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “Payment Day” means any day which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;
(B) London; and
(C) any Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the
principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(g) 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:

(i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and

(vii) 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 7 or under any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

6. Redemption and Purchase

(a) Redemption at maturity

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

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days notice to the Trustee and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of the notice referred to above that either:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

Notes redeemed pursuant to this paragraph (b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the option of the Issuer (Issuer Call)
If the Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days notice to the Noteholders in accordance with Condition 13; and
(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“Redeemed Notes”) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, 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, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “Selection Date”). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) Redemption at the option of the Noteholders (Investor Put)
If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition.
Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable.

(e) Early Redemption Amounts
For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) 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; or

(iii) 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;

“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 on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments
Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

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

(h) Purchases
The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike.

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

(j) Late payment on Zero Coupon Notes
If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero
Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. Taxation

All payments by or on behalf of the Issuer or the Guarantor of principal, premium and interest in respect of the Notes, Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Tax Jurisdiction, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the holders of the Notes, Receipts and Coupons of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:

(a) **Other connection**: by, or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of the Note, Receipt or Coupon; or

(b) **Claim for exemption**: by, or on behalf of, a holder who would not be liable or subject to the withholding or deduction by making a declaration of non residence or other similar claim for exemption to the relevant tax authority; or

(c) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date (as detailed below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note, Receipt or Coupon for payment on the last day of such period of 30 days assuming that day to have been a Payment Day (as defined in Condition 5(f)); or

(d) **EU Directive**: where such withholding or deduction is imposed on a payment to or for an individual and is required to be made pursuant to Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law of the European Union or a non-Member State implementing or complying with, or introduced in order to conform to, such Directive; or

(e) by, or on behalf of, a person who would have been able to avoid such withholding or deduction

(i) by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU, or (ii) by authorising the paying agent to report information in accordance with the procedure laid down by the relevant tax authority or by producing, in the form required by the relevant tax authority, a declaration, claim, certificate, document or other evidence establishing exemption therefrom; or

(f) in the United Kingdom (“U.K.”).

As used herein:

**Tax Jurisdiction** means the U.K. or any political subdivision or any authority thereof or therein having power to tax.

**Relevant Date** means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect is given to the Noteholders in accordance with Condition 13. Any reference in these Conditions to principal, premium and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

Details of Council Directive 2003/48/EC on the taxation of savings income can be found in the Taxation Section below under the heading “EU Savings Income Directive”.
8. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefore.

There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default and Enforcement

(A) Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (determined in accordance with Condition 6(e)), together with accrued interest as provided in the Trust Deed, in any of the following events (“Events of Default”):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or

(b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Terms and Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any Material Subsidiary becomes due and repayable prematurely by reason of an event of default (however described) or (ii) the Issuer, the Guarantor or any Material Subsidiary fails to make any payment in respect of any such Indebtedness for Borrowed Money on the due date for payment as extended by any applicable grace period or (iii) any security given by the Issuer, the Guarantor or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable or (iv) default is made by the Issuer, the Guarantor or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money; Provided that no event described in this Condition 9(c) shall constitute an Event of Default unless the Indebtedness for Borrowed Money either alone or when aggregated with the principal amount of other Indebtedness for Borrowed Money the subject of this Condition 9(c) shall amount to at least £10,000,000 (or its equivalent in any other currency) and provided further that, for the purposes of this Condition 9(c), neither the Issuer, the Guarantor nor any Material Subsidiary shall be deemed to be in default with respect to such Indebtedness for Borrowed Money, guarantee or indemnity if it shall be contesting in good faith by appropriate means its liability to make payment thereunder and has been advised by independent legal advisers of recognised standing that it is reasonable for it to do so; or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any Material Subsidiary, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(e) if the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or the Issuer, the Guarantor or any Material Subsidiary stops payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed “unable to pay its debts” as such term is defined in Section 123(1) (e) of the Insolvency Act 1986, or is adjudicated or found bankrupt or insolvent; or
(f) (i) if proceedings are initiated against the Issuer, the Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, an application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration order is granted or the appointment of an administrative or other receiver, manager, administrator or other similar official takes effect, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any Material Subsidiary or, as the case may be, in relation to the whole or a material part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a material part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of any of them and (ii) in any of the foregoing cases the Issuer, the Guarantor or any Material Subsidiary, as the case may be, is not contesting such proceedings, application, appointment, taking of possession or process in good faith by appropriate means having been advised by independent legal advisers of recognised standing that it is reasonable for it to do so and/or (iii) in any such case (other than an order for the appointment of an administrator) is not discharged, dismissed, suspended or stayed within 28 days; or

(g) if the Issuer, the Guarantor or any Material Subsidiary initiates or consents to proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, an application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or

(h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or

(i) if the Issuer ceases to be a Subsidiary wholly-owned (except for any share owned other than by the Guarantor, solely to fulfil the requirements of Section 1(1) of the Companies Act 1985) and controlled, directly or indirectly, by the Guarantor; or

(j) if the validity of the Notes or the Trust Deed is contested by the Issuer or the Guarantor or the Issuer or the Guarantor denies any of the Issuer’s or the Guarantor’s obligations under the Notes or the Guarantee or it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Guarantee or the Trust Deed or any of such obligations shall be or become unenforceable or invalid; or

(k) if any event occurs which under the laws of any relevant jurisdiction has or may have, in the Trustee’s opinion, an analogous effect to any of the events referred to in paragraphs (d) to (j) above;

PROVIDED, in the case of any Event of Default other than those described in sub-paragraphs (a), (d) (in the case of a winding up or dissolution of the Issuer or the Guarantor) and (h) above, the Trustee shall have certified to the Issuer and the Guarantor that the Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders.

For the purposes of this Condition:

(i) “Indebtedness for Borrowed Money” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) any borrowed money, (ii) any notes, bonds, debentures, debenture stock, loan stock or other securities or (iii) any liability under or in respect of any acceptance or acceptance credit; and

(ii) a “Material Subsidiary” means a Subsidiary of the Guarantor (other than an Excluded Subsidiary):

(A) whose operating profit on ordinary activities before tax attributable to the Guarantor (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten per cent. of the consolidated operating profit on ordinary activities
before tax attributable to the shareholders of the Guarantor, or, as the case may be, consolidated total assets, of the Group, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Group; or

(B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately before the transfer is a Material Subsidiary whereupon the transferor shall cease to be a Material Subsidiary;

all as more particularly defined in the Trust Deed;

(B) Enforcement

(1) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolutions of the Noteholders or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (b) it shall have been indemnified to its satisfaction.

(2) No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

10. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 13, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written consent of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority and provided further that the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with that Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, the Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. 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 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 8.

13. Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London approved by the Trustee. It is expected that such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

14. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of any of these Terms and Conditions or any provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Terms and Conditions and provisions of the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders at any time agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of (i) the Guarantor, (ii) a Successor in Business (as defined in the Trust Deed) to the Issuer or the Guarantor (iii) a holding company of the Issuer or the Guarantor or (iv) a Subsidiary of the Issuer or the Guarantor acceptable to the Trustee (such substituted issuer being hereinafter called the “New Company”) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee agreeing to be bound by the provisions of Notes, the Receipts, the Coupons and the Trust Deed with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in the Notes, the Receipts, the Coupons and the Trust Deed as the principal debtor in place of the Issuer (or of the previous substitute under this Condition) and provided further that, in the case of (iii) and (iv), the Issuer unconditionally and irrevocably guarantees to the satisfaction of the Trustee all amounts payable by the
New Company under the Notes, the Receipts, the Coupons and the Trust Deed. Certain further conditions apply to the above as set out in the Trust Deed. The Trust Deed also contains provisions materially the same as above in relation to substitution of the Guarantor.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders (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 Noteholder, Receipther or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except, in the case of the Issuer and the Guarantor, to the extent provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any such modification, waiver, authorisation or determination will be binding on the Noteholders, Receiptholders and Couponholders and any such modification will (unless the Trustee agrees otherwise) be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Indemnification of the Trustee and its Contracting with the Issuer and/or the Guarantor and/or the Guarantor's Subsidiaries

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (i) to enter into business transactions with the Issuer, the Guarantor and/or any of the Guarantor’s other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating, to the Issuer, the Guarantor and/or any of the Guarantor’s other Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

17. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. Governing Law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.
USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If in respect of any particular issue, there is a particular use of proceeds, this will be stated in the applicable Final Terms.
DESCRIPTION OF THE ISSUER

Introduction
Rothschilds Continuation Finance PLC is a wholly-owned subsidiary of N. M. Rothschild & Sons Limited and was incorporated with limited liability under registered number 4064727 on 30th August, 2000 under the Companies Act 1985. The registered and head office of the Issuer is at New Court, St. Swithin’s Lane, London EC4P 4DU and the telephone number is +44 (0)20 7280 5000. The Issuer is a finance vehicle for the Rothschild group of companies.

The authorised and issued share capital of the Issuer comprises 100,000 ordinary shares of £1 each, all of which are fully paid up and held by the Guarantor.

Management
The directors of the Issuer, the business address of each of whom is New Court, St Swithin’s Lane, London EC4P 4DU are as follows:

Andrew Didham............... (Chairman) – Director, N. M. Rothschild & Sons Limited and Rothschilds Continuation Holdings Limited
Christopher Coleman....... (Executive Director) – Director, N. M. Rothschild & Sons Limited and N.M. Rothschild Banking Limited
Paul Copsey..................... (Executive Director) – Director, N.M. Rothschild Banking Limited
Adam Greenbury ............ (Executive Director) – Director, N.M. Rothschild Banking Limited
Andrew Tovell............... (Executive Director) – Director, N.M. Rothschild & Sons Limited

There are no potential conflicts of interest between the duties to the Issuer of the directors and their private interests and/or other duties.

The Issuer does not itself have an audit committee. However, the Issuer is a wholly-owned subsidiary of the Guarantor which has an audit committee that reviews the annual consolidated financial statements of the Guarantor.

The Issuer is not a company with a primary listing and accordingly is not required to comply with the U.K.’s corporate governance standards. Instead, as the Issuer is a wholly-owned subsidiary of the Guarantor it adheres to the corporate governance policies set from time to time by the Guarantor that are applicable to the Issuer.

The Issuer is a finance vehicle to be used as Issuer of the Notes. Its principal objects are set out, in full, in paragraph 4 of its Memorandum of Association, and include acting as an issuer of notes and participating in financial arrangements and transactions. A copy of the Issuer's Memorandum and Articles of Association will be available for inspection as set out under “General Information” on page 73.
SELECTED FINANCIAL INFORMATION OF THE ISSUER

The financial information set forth has been extracted without material adjustment from the audited annual financial reports of Rothschilds Continuation Finance PLC for the years ended 31 March 2008 and 31 March 2009. This information should be read in conjunction with, and is qualified by reference to, the audited annual financial report of Rothschilds Continuation Finance PLC and notes thereto for the years ended 31 March 2008 and 31 March 2009.

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>39,802,155</td>
</tr>
<tr>
<td>Interest payable</td>
<td>(39,783,433)</td>
</tr>
<tr>
<td>Foreign exchange translation differences</td>
<td>7,646</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>26,368</td>
</tr>
<tr>
<td>Taxation</td>
<td>(7,383)</td>
</tr>
<tr>
<td><strong>Profit for the financial year</strong></td>
<td>18,985</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>At 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>528,410,000</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>325,900,892</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>176,791</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>326,077,683</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Current tax payable</td>
<td>(7,383)</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>(325,898,013)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>172,287</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>528,582,287</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>(528,410,000)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>172,287</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>100,000</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>72,287</td>
</tr>
<tr>
<td><strong>Equity shareholders’ funds</strong></td>
<td>172,287</td>
</tr>
</tbody>
</table>
DESCRIPTION OF THE GUARANTOR

N. M. Rothschild & Sons Limited

Introduction

N. M. Rothschild & Sons Limited (“NMR”) is an authorised institution under FSMA. NMR was incorporated in England with limited liability (registered number 925279) on 1 January, 1968 under the Companies Acts 1948 to 1967. It is a wholly-owned subsidiary of Rothschilds Continuation Limited, which is also incorporated in England. NMR’s ultimate parent company is Rothschild Concordia SAS (“Concordia”), which is incorporated in France and is controlled by the Rothschild family and their interests. NMR’s registered office and principal place of business in the U.K. is at New Court, St. Swithin’s Lane, London EC4P 4DU. NMR has regional offices in Manchester, Leeds and Birmingham.


The authorised and issued share capital of NMR is £200,000,000 divided into 199,900,000 ordinary shares of £1 each of which 57,654,551 are in issue and fully paid. On 29 May 2009, NMR redeemed the 100,000 redeemable preference shares of £1 each it had previously issued.

NMR’s main businesses and activities are described below:

Investment Banking

NMR’s Investment Banking division is the largest component of the Rothschild Group (“Rothschild”) worldwide investment banking business. It provides a wide range of advisory services to its clients, including advice on mergers and acquisitions (“M&A”), disposals, debt and restructuring solutions, equity capital markets, valuations, strategic reviews and privatisations, both domestically and internationally.

Rothschild’s approach to its investment banking business is characterised by combining in-depth global sector knowledge with a detailed understanding of local markets. Rothschild places a strong emphasis on the development of sustainable long-term relationships with clients and a significant proportion of its revenue arises from such long-term client relationships.

Mergers & Acquisitions

In Europe, during each of the last seven financial years, Rothschild has worked on more M&A transactions than any other investment bank. In 2009 Rothschild was ranked No.1 for European M&A advice in the business services, consumer products, retail, healthcare, technology, telecoms, and transport sectors by number of completed deals (league tables based on European “Sector”, Any Acquiror nation, completed deals by number. Source: Thomson Reuters). Rothschild also held top 5 positions by number of completed deals in the financial institutions, hotels and leisure, industrials, property, and oil and gas sectors. In 2009 Rothschild received awards from: Euroweek magazine for best Leveraged Buyout Advisory Bank of the Year in Europe; and from Private Equity International for Best M&A Adviser of the Year in Europe.

In the U.K., Rothschild received awards from Financial Times and Mergermarket for U.K. Financial Adviser of the Year, and U.K. Mid-Market Adviser of the Year for 2008 and 2009; from Acquisitions Monthly magazine for the Cross-Border Deal of the Year (Scottish & Newcastle); and from The Banker for European Deal of the Year (British Energy on the £12.5 billion recommended sale to EDF). Other awards in 2009 were from Euromoney Awards for Excellence for Best Global Sovereign Advisory house, from Euroweek for Best LBO Advisory Bank of the Year and from Private Equity International for Best M&A Adviser in Europe.
In the U.K., NMR’s team advised on many high profile deals since 2008, including:

- Venture Production on its defence of a hostile acquisition approach from Centrica;
- Charterhouse Capital Partners on the acquisition of Wood Mackenzie for a consideration of £553 million;
- Songbird in relation to its acquisition of 8.45% of Canary Wharf Group;
- Vattenfall on the €8.5 billion acquisition of Nuon;
- Xstrata regarding the deliverance of a fairness opinion to its Board of Directors on the U.S.$2 billion acquisition of the Prodeco thermal coal assets from Glencore International;
- Joint Adviser to Rio Tinto, on its defence of a hostile acquisition approach by BHP Billiton;
- Alliance & Leicester on its £1.3 billion recommended acquisition by Banco Santander;
- Enodis on the £1.4 billion recommended cash acquisition by the Manitowoc Company; and
- FKI on the £950 million recommended cash offer by Melrose.

**Debt Advisory & Restructuring**

Rothschild is one of the world’s most active debt advisers and was recognized as the pre-eminent house in the field, being named Debt Advisory House of the Year by Acquisitions Monthly Magazine for 2008. Rothschild’s debt bankers provide independent, debt advice and debt capital markets execution expertise to corporates, private equity houses and governments. Rothschild supports its clients in raising funds across the entire spectrum of debt products, including bank debt, bonds, leasing and securitisation; as well as advising on all aspects of a transaction including credit ratings and derivatives strategy.

Rothschild received the Acquisitions Monthly award for Debt Advisory House of the Year in 2008 and 2009.

In the U.K., recent transactions include acting as adviser to:

- Intermediate Capital Group on raising £545 million of forward start debt facilities;
- Yell plc. on a covenant re-set on £3.9 billion of syndicated bank facilities involving 330 lenders;
- Barratt Developments plc on negotiating a covenant re-set in respect of its £2.6 billion of bank facilities, and obtaining a new £400 million forward start bank facility;
- Northern Foods on a £250 million bank facility;
- Dublin Airport Authority on structuring and funding of €4 billion Dublin Airport City Development;
- FirstGroup plc. on the issue of U.S.$450 million 5-year bank facilities and the issue of a £300 million 10-year Eurobond;
- Colony Capital on a €180 million debt facility supporting the sale of Buffalo Grill to Abenex Capital management; and
- Wembley Stadium on hedging arrangements in relation to a £350 million loan refinancing.

Rothschild is one of the world’s most active independent restructuring advisers. Rothschild delivers restructuring advice to its clients both domestically and internationally. Rothschild received two awards in 2009 from Euroweek Magazine and Acquisitions Monthly magazine for Restructuring House of the Year.

In the U.K., recent restructuring transactions include acting as adviser to:

- McCarthy & Stone on the £980 million restructuring of its debt facilities via an innovative combination of a court led scheme of arrangement and pre-packaged administration (the first such structure implemented); and
- Taylor Wimpey on the renegotiation of £2.5 billion of its debt facilities comprising bank debt, U.S. private placements and Eurobonds.
Equity Advisory

Following the discontinuation in 2007 of ABN AMRO Rothschild, (NMR’s international equity capital markets joint venture with ABN AMRO), NMR has continued to build its position as the leading provider of technical advice and independent market intelligence in the European, Russian, Middle Eastern, Asian and Australian equity capital markets.

NMR’s equity advisory bankers possess extensive experience in initial public offerings, capital raisings, dual track exits, block trades, convertible and exchangeable bonds. NMR enhances its market expertise by maintaining direct communication with institutional investors and other market participants.

In Europe, NMR’s recent equity advisory roles include the provision of advice to:

- 3i Group on its £732 million rights issue;
- DSG International on its £311 million placing and rights issue and £475 million renegotiation of bank facilities;
- Northgate on its £114 million placing and rights issue and its £880 million refinancing package;
- the Government of the Netherlands on the €3 billion recapitalisation of Aegon in the form of 8.5 per cent equity linked core tier one capital instruments; and on the €10 billion recapitalisation of ING;
- the Government of Sweden, NMR acting as advisor, on its 19.9 per cent stake in Nordea and the Government of Sweden’s participation in Nordea’s €2.5 billion rights issue;
- Premier Foods, NMR acting as joint adviser and joint sponsor, on its fully underwritten £404 million capital raising which included private equity participation from Warburg Pincus;
- British Land, NMR acting as advisor, on its £767 million rights issue;
- Workspace, NMR acting as its advisor, on the fully underwritten £87 million rights issues; and
- Low & Bonar, NMR acting as adviser and sole sponsor, on its fully underwritten £33 million equity fundraising.

Banking

NMR’s commercial banking activities include the arrangement and provision of senior and mezzanine debt in the property, leveraged finance and natural resources sectors. The corporate banking portfolio comprises mainly loans to medium and large U.K. and European companies, as well as corporate, project and structured commodity finance to resources companies worldwide.

In common with other commercial banking businesses largely based in the U.K., the last 18 months have been challenging for NMR as the disruption in financial markets spread to the wider economy.

The Property team arranges and provides funding for secured commercial property investment throughout the U.K.. In October 2007 it acquired a 51 per cent shareholding in Lanebridge, a property investment fund manager based near Manchester. In September 2008, Lanebridge completed, on behalf of its investors, the acquisition of a prime office building in the City of London.

The Leveraged Finance team participates in the senior and mezzanine debt arranged for leveraged buy-outs in the U.K. and Europe and has no exposure to underwritten transactions. The Natural Resources team arranges and provides corporate and project financing to mining and metals companies worldwide and also provides structured commodity financing across the natural resources sector to major companies in emerging markets.

NMR’s asset finance business, conducted by the Five Arrows Finance group of companies, provides a range of asset financing facilities to U.K. companies, including leasing and asset-based lending. Following a review of NMR’s activities in this area, the sale of Five Arrows Commercial Finance Limited to GE Commercial Finance was completed on 6 May 2008.

In October 2008, NMR completed the securitisation of a £447 million portfolio of U.K. commercial property loans (Real Estate Capital No. 7 PLC). This transaction created a £245 million AAA rated Note, of which NMR was the sole purchaser. The Note is available as collateral for both committed and uncommitted funding lines and is in keeping with our strategy of minimising NMR’s reliance on inter-bank wholesale markets.
Current Business Environment

The environment for all types of businesses engaged in financial services has continued to be very difficult in the last year. This has been characterised by a lack of availability of credit, a lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity. Against this background NMR has experienced a lower volume of transactions across its business generally, albeit that in Investment Banking the number of Debt Advisory and Restructuring mandates has continued to grow substantially. The general reduction in the level of interest rates has reduced the income from free funds. The general economy has slowed and many European markets have experienced a deep recession. While there are some signs that the recession is coming to an end, business and credit conditions continue to be very fragile and confidence remains weak. Despite this backdrop, NMR believes that its strong franchise, conservative risk management and flexible cost base should help it to absorb a deterioration in revenue generation or asset quality.

Corporate Governance and Risk Management

Although NMR is not a publicly quoted company, and accordingly is not required to comply with the U.K.’s corporate governance standards, it complies with many aspects of those standards. NMR’s corporate governance framework includes a number of committees to which the Board has delegated responsibility for overseeing the operation of its businesses, development of its risk management policies and procedures and its internal controls. The terms of reference and the membership of key committees including NMR’s Audit Committee are set out on pages 30 to 31 of the audited consolidated financial statements of NMR for the financial year ended 31 March 2009.

The Group Risk Director co-ordinates risk policy and promotes the development and maintenance of effective procedures throughout the group. NMR’s internal audit team reviews its internal control framework and reports its findings to the Audit Committee.

Credit Risk

Credit risk arises from NMR’s lending and trading activities. The Credit Committee sets limits, reviews concentrations, monitors exceptions and makes recommendations on credit decisions to the Executive Committee.

Credit risk arising from treasury dealing activities is measured on a real-time basis whereby all exposures relating to a particular counterparty are aggregated and monitored against limits. Credit risk on derivative transactions is measured by summing the current exposure with an allowance for potential future exposure.

Market Risk

Market risk arises as a result of NMR’s activities in currency, interest rate, debt and equity markets. During 2009, NMR’s exposure to market risk has continued to be small in proportion to its capital, as NMR’s treasury trading activities have been focused on servicing client requirements rather than on proprietary risk-taking.

NMR uses financial instruments to manage its exposure to market risks and to take or alter NMR’s views on future movements in exchange rates, interest rates and volatility levels. Interest rate derivatives are used to hedge interest rate exposures arising from its lending and corporate treasury activities.

Limits on market risk exposure are set by the Executive Committee using the value at risk methodology. Monitoring of market risk limits and determination of trading profits are undertaken independently of the dealing area. Whilst value at risk is central to the communication and control of risk, it is complemented by other controls. These include stress testing, which estimates the losses which could occur when markets behave in unusually volatile ways and with little liquidity.

Liquidity Risk

Liquidity risk arises from the funding of NMR’s lending and deposit taking activities. NMR’s Group Assets and Liabilities Committee recommends policies and procedures for the management of liquidity risk. Liquidity is measured by classifying assets, liabilities and other cash flows into future time bands using a series of prudent assumptions and calculating the resultant surplus or deficit in each period. The Executive Committee has set deficit limits for each period, which are monitored daily independently of the dealing area.
Operational Risk

Operational risk, which is inherent in all business activities, is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Key to NMR’s management of operational risk is the maintenance of a strong framework of internal controls. These are subject to regular independent review by NMR’s internal audit department, whose findings are reported to the Audit Committee which monitors the implementation of any recommendations. Operational risk encompasses reputational risk, which is particularly relevant to NMR’s business. Reputational risk is managed through formal approval processes for new business and operational procedures for the conduct of business. The Group maintains insurance policies to mitigate loss in the event of certain operational risk events.

Nothing in this description of operational risk should be taken as implying that either the Issuer or NMR will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FSA.

Other Material Risks

Other risks which are, or may be, material arise in the normal conduct of NMR’s business. Such risks, which include concentration risk and residual risk, are identified and managed as part of NMR’s overall risk controls and are taken into account in the Board’s periodic assessment of capital adequacy.

Directors

The directors of NMR, the business address of each of whom is New Court, St. Swithin’s Lane, London EC4P 4DU, and their respective principal outside activities, where significant to NMR, are as follows:

David de Rothschild ....................... Chairman
Chairman of Rothschilds Continuation Holdings AG

Anthony Alt ................................. Deputy Chairman
Director of Rothschilds Continuation Holdings AG

Paul Barry ................................. Executive Director, Group Human Resources

Anthony Chapman ........................ Executive Director
Director of Rothschilds Continuation Limited

Christopher Coleman ........................ Executive Director

Andrew Didham ............................. Executive Director, Group Finance

Lord Guthrie ............................... Non-Executive Director

Timothy Hancock .......................... Executive Director, Group Risk

Sir Graham Hearne ........................ Non-Executive Director

Richard Martin ............................. Executive Director, Group Chief Operating Officer

Eric de Rothschild ........................ Non-Executive Director
Director of Rothschilds Continuation Holdings AG

Leopold de Rothschild ...................... Non-Executive Director
Chairman of Rothschilds Continuation Limited

Anthony Salz ............................... Executive Director

Peter Smith ................................. Non-Executive Director
Director of Rothschilds Continuation Holdings AG

Andrew Tovell ............................. Executive Director

Sir Clive Whitmore ......................... Non-Executive Director
Director of Rothschilds Continuation Limited

Philip Yeates ............................... Executive Director

There are no potential conflicts of interest between the duties to NMR of the directors and their private interests and/or other duties.
NMR’s principal objects are set out, in full, in paragraph 3 of its Memorandum of Association, and include carrying on business as merchant bankers and an investment company and finance company including participating in financial arrangements and transactions. A copy of NMR’s Memorandum and Articles of Association will be available for inspection as set out under “General Information” on page 73.
SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

The financial information set forth has been extracted without material adjustment from the audited consolidated annual financial reports of N. M. Rothschild & Sons Limited for the years ended 31 March 2008 and 31 March 2009. This information should be read in conjunction with, and is qualified by reference to, the audited consolidated annual financial report of N. M. Rothschild & Sons Limited and notes thereto for the years ended 31 March 2008 and 31 March 2009.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and similar income</td>
<td>243,842</td>
<td>312,920</td>
</tr>
<tr>
<td>Interest expense and similar charges</td>
<td>(195,046)</td>
<td>(247,782)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>48,796</strong></td>
<td><strong>65,138</strong></td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>362,306</td>
<td>340,063</td>
</tr>
<tr>
<td>Fee and commission expense</td>
<td>(21,902)</td>
<td>(15,007)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>1,697</td>
<td>118</td>
</tr>
<tr>
<td>Net trading income</td>
<td>8,032</td>
<td>5,207</td>
</tr>
<tr>
<td>Fair value movements</td>
<td>6,746</td>
<td>(33,184)</td>
</tr>
<tr>
<td>Gains less losses from available-for-sale debt and equity securities</td>
<td>(4,537)</td>
<td>6,650</td>
</tr>
<tr>
<td>Other operating income</td>
<td>44,913</td>
<td>8,124</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td><strong>446,051</strong></td>
<td><strong>377,109</strong></td>
</tr>
<tr>
<td>Impairment losses on financial assets</td>
<td>(83,225)</td>
<td>(63,757)</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td><strong>362,826</strong></td>
<td><strong>313,352</strong></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(305,292)</td>
<td>(297,149)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(7,361)</td>
<td>(4,348)</td>
</tr>
<tr>
<td>Share of post-tax profit of associated undertakings</td>
<td>369</td>
<td>16,619</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td><strong>50,542</strong></td>
<td><strong>28,474</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(9,017)</td>
<td>(3,454)</td>
</tr>
<tr>
<td><strong>Profit for the financial year</strong></td>
<td><strong>41,525</strong></td>
<td><strong>25,020</strong></td>
</tr>
</tbody>
</table>

* of the £41,525,000 (2008: £25,020,000) profit for the financial year, £30,985,000 (2008: £24,221,000) is attributable to equity holders of the parent company and £10,540,000 (£799,000) is attributable to minority interests.
### STATEMENTS OF RECOGNISED INCOME AND EXPENSE

*For the year ended 31 March*

<table>
<thead>
<tr>
<th>Net income recognised directly in equity</th>
<th>2009 Group £'000</th>
<th>2009 Company £'000</th>
<th>2008 Group £'000</th>
<th>2008 Company £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available-for-sale investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value movements</td>
<td>(114,164)</td>
<td>(112,655)</td>
<td>(129,990)</td>
<td>(129,900)</td>
</tr>
<tr>
<td>Losses transferred to income on disposal and impairment</td>
<td>35,721</td>
<td>35,721</td>
<td>36,499</td>
<td>36,499</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value movements of effective portion of cash flow hedges</td>
<td>(2,724)</td>
<td>(2,724)</td>
<td>1,185</td>
<td>1,185</td>
</tr>
<tr>
<td>Other items recognised directly in equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gains/(losses) on defined benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pension funds</td>
<td>(51,850)</td>
<td>(51,850)</td>
<td>13,443</td>
<td>13,443</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>13,358</td>
<td>–</td>
<td>4,316</td>
<td>–</td>
</tr>
<tr>
<td>Aggregate tax effect of items taken directly to or transferred from equity</td>
<td>37,877</td>
<td>37,397</td>
<td>19,222</td>
<td>19,206</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>41,525</td>
<td>25,900</td>
<td>25,020</td>
<td>20,074</td>
</tr>
<tr>
<td>Total recognised income and expense for the financial year</td>
<td>(40,257)</td>
<td>(68,211)</td>
<td>(30,305)</td>
<td>(39,493)</td>
</tr>
<tr>
<td>Attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Equity shareholders of the parent</td>
<td>(56,927)</td>
<td>(68,211)</td>
<td>(31,104)</td>
<td>(39,493)</td>
</tr>
<tr>
<td>– Minority interests</td>
<td>16,670</td>
<td>–</td>
<td>799</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>(40,257)</td>
<td>(68,211)</td>
<td>(30,305)</td>
<td>(39,493)</td>
</tr>
</tbody>
</table>
# CONSOLIDATED BALANCE SHEET

*As at 31 March*

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances at central banks</td>
<td>571,985</td>
<td>1,318</td>
</tr>
<tr>
<td>Loans and receivables to banks – included in cash and cash equivalents</td>
<td>493,816</td>
<td>988,201</td>
</tr>
<tr>
<td>Loans and receivables to banks – other</td>
<td>2,977</td>
<td>13,479</td>
</tr>
<tr>
<td>Loans and receivables to customers</td>
<td>1,468,947</td>
<td>1,522,206</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>1,046,715</td>
<td>1,986,305</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>9,797</td>
<td>11,212</td>
</tr>
<tr>
<td>Investments in associated undertakings</td>
<td>37,281</td>
<td>30,201</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>14,859</td>
<td>14,620</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>17,946</td>
<td>38,280</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>30,536</td>
<td></td>
</tr>
<tr>
<td>Current tax assets</td>
<td>15,299</td>
<td>18,939</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>101,455</td>
<td>51,992</td>
</tr>
<tr>
<td>Other assets</td>
<td>149,427</td>
<td>168,191</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,961,040</td>
<td>4,844,944</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits by banks</td>
<td>449,974</td>
<td>666,772</td>
</tr>
<tr>
<td>Due to customers</td>
<td>663,157</td>
<td>821,570</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>832,808</td>
<td>1,113,499</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>38,211</td>
<td>47,751</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>985,139</td>
<td>1,239,433</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>271,014</td>
<td>239,472</td>
</tr>
<tr>
<td>Liabilities related to non-current assets held for sale</td>
<td>28,653</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>72,285</td>
<td>52,496</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>9,152</td>
<td></td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>293,995</td>
<td>316,425</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,644,388</td>
<td>4,497,418</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>57,655</td>
<td>55,155</td>
</tr>
<tr>
<td>Share premium account</td>
<td>97,936</td>
<td>97,936</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>252,290</td>
<td>258,639</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(116,579)</td>
<td>(66,001)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity attributable to Equity holders of the parent</strong></td>
<td>291,302</td>
<td>345,729</td>
</tr>
<tr>
<td>Minority interests</td>
<td>25,350</td>
<td>1,797</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>316,652</td>
<td>347,526</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>3,961,040</td>
<td>4,844,944</td>
</tr>
</tbody>
</table>
## BALANCE SHEET OF THE GUARANTOR

*As at 31 March*

<table>
<thead>
<tr>
<th>Assets</th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances at central banks</td>
<td>570,913</td>
<td>1,318</td>
</tr>
<tr>
<td>Loans and receivables to banks – included in cash and cash equivalents</td>
<td>396,473</td>
<td>979,139</td>
</tr>
<tr>
<td>Loans and receivables to banks – other</td>
<td>–</td>
<td>13,479</td>
</tr>
<tr>
<td>Loans and receivables to customers</td>
<td>1,515,102</td>
<td>1,452,965</td>
</tr>
<tr>
<td>Available-for-sale financial assets securities</td>
<td>1,045,915</td>
<td>1,983,880</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>9,797</td>
<td>11,197</td>
</tr>
<tr>
<td>Shares in subsidiary undertakings</td>
<td>40,794</td>
<td>35,226</td>
</tr>
<tr>
<td>Investments in associated undertakings</td>
<td>37,692</td>
<td>10,105</td>
</tr>
<tr>
<td>Investments in joint ventures</td>
<td>5,375</td>
<td>429</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7,028</td>
<td>58,946</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>11,561</td>
<td>20,746</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>89,695</td>
<td>44,626</td>
</tr>
<tr>
<td>Other assets</td>
<td>90,938</td>
<td>150,360</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>3,821,283</strong></td>
<td><strong>4,762,416</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits by banks</td>
<td>447,934</td>
<td>666,768</td>
</tr>
<tr>
<td>Due to customers</td>
<td>1,474,495</td>
<td>1,548,890</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>832,808</td>
<td>1,113,499</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>37,708</td>
<td>47,424</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>271,365</td>
<td>523,609</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>271,014</td>
<td>239,472</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>32,301</td>
<td>22,682</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>212,099</td>
<td>292,802</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>3,579,724</strong></td>
<td><strong>4,455,146</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>2009 (£’000)</th>
<th>2008 (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>57,655</td>
<td>55,155</td>
</tr>
<tr>
<td>Share premium</td>
<td>97,936</td>
<td>97,936</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>214,548</td>
<td>225,982</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(128,580)</td>
<td>(71,803)</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td><strong>241,559</strong></td>
<td><strong>307,270</strong></td>
</tr>
</tbody>
</table>

| **Total equity and liabilities**            | **3,821,283**| **4,762,416**|
TAXATION

United Kingdom Taxation

The following is a general description of current law and HM Revenue and Customs practice in the U.K. relating to the U.K. withholding tax treatment of interest paid on the Notes, and does not deal with any other U.K. taxation implication of acquiring, holding or disposing of the Notes.

It relates to the position of persons who are the absolute beneficial owners of Notes and some aspects do not apply to certain classes of taxpayer (such as dealers and Noteholders who are connected or associated with the Issuer for relevant tax purposes). Prospective Noteholders who may be subject to tax in a jurisdiction other than the U.K. or who may be unsure as to their tax position should seek their own professional advice.

Interest On The Notes

The Notes will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 (the ITA 2007) provided that they carry a right to interest and as long as they are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the ITA 2007. In the case of Notes to be traded on the London Stock Exchange, which is a recognised stock exchange, this condition will be satisfied if the Notes are admitted to listing on the Official List of the U.K. Listing Authority and to trading on the London Stock Exchange. Accordingly, payments of interest on the Notes may be made without withholding on account of U.K. income tax provided the Notes remain so listed at the time of payment.

In all other cases (except in the case of payment of interest on Notes which is not “yearly interest” in which case interest can be paid without withholding or deduction for or on account of U.K. income tax), an amount must be withheld on account of income tax at the basic rate (currently 20%), subject to any direction to the contrary by HM Revenue and Customs under an applicable double taxation treaty, and except that the withholding obligation is disapplied in respect of payments to Noteholders who the Issuer reasonably believes are either a U.K. resident company or a non U.K. resident company carrying on a trade in the U.K. through a permanent establishment which is within the charge to corporation tax as regards the interest, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HM Revenue and Customs direct otherwise).

If the Guarantor is required to make a payment under the Guarantee, the payment may attract U.K. withholding tax.

The attention of holders is drawn to Condition 7 of the Terms and Conditions of the Notes.

U.K. provision of information requirements

Any Paying Agent or other person in the U.K. through whom interest is paid to, or by whom interest is received on behalf of, an individual (whether resident in the U.K. or elsewhere) may be required to provide information in relation to the payment and the individual concerned to HM Revenue and Customs. Interest for this purpose includes any amount to which a person holding a deeply discounted security is entitled on redemption of that security. However, HM Revenue and Customs guidance states that in practice no information will be required to be provided in respect of such redemption amounts for the year 2009-2010 (although it is possible that such information may be required in future years). HM Revenue and Customs may communicate information to the tax authorities of other jurisdictions.

See also the section entitled “EU Savings Income Directive” below which describes obligations to provide reports of or withhold tax from payments of savings income under Council Directive 2003/48/EC.

European Union Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income Member States are required to provide to the tax authorities of another Member State details of payments of interest and other 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. Similar income for this purpose includes payments on redemption of the Notes representing any discount on the issue of the Notes or any premium payable on redemption. However, for a transitional period Austria, Belgium and Luxembourg are instead required (unless during such period they elect otherwise) to operate a withholding tax in relation to such payments. Belgium has announced that it will operate information reporting from
1 January 2010. The transitional period will end after agreement on exchange of information is reached between the European Union and certain non-European Union states. No withholding will be required where the Noteholder authorises the person making the payment to report the payment or presents a certificate from the relevant tax authority establishing exemption therefrom. A number of third countries (including Switzerland) have adopted equivalent measures (a withholding system in the case of Switzerland) and certain British and Dutch dependent or associated territories have adopted the same measures with effect from the same date.

The attention of Noteholders is drawn to Condition 7 of the Terms and Conditions of the Notes.
SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the “Programme Agreement”) dated 18 December 2009, agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the U.S. 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.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 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 it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the U.S. or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the U.S. by any dealer (whether or 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 an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes 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 Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

European Economic Area

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 Notes which are the subject of the offering contemplated by this Offering Circular and Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable 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 such Final Terms, as applicable;
(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (e) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

**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 Notes 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 Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**Japan**

The Notes 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 disclosure under the FIEL has not been and will not be made with respect to the Notes. Neither the Notes nor any interest therein may be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan to or for the account of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, resident of Japan means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**France**

Neither the Base Prospectus nor any other offering material relating to the Notes has been prepared in the context of a public offer of securities in the Republic of France within the meaning of Article L. 411-1 of the French Code monétaire et financier and articles 211-1 et seq. of the General Regulations of the
Autorité des marchés financiers and has therefore not been and will not be submitted to the clearance procedures of the Autorité des marchés financiers for prior approval or otherwise.

The Notes have not been offered, sold or otherwise transferred and will not be offered, sold or otherwise transferred, directly or indirectly, to the public in the Republic of France. Neither this Base Prospectus nor any other offering material relating to the Notes has been or will be (i) released, issued, distributed or caused to be released, issued or distributed to the public in the Republic of France or (ii) used in connection with any offer for subscription or sale of the Notes in the Republic of France.

Any offers, sales or other transfers of Notes in the Republic of France may only be made in accordance with Article L. 411-2 of the French Code monétaire et financier only (i) to investment services providers authorized to engage in portfolio management on a discretionary basis on behalf of third parties (personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers) and/or to qualified investors (investisseurs qualifiés) investing for their own account, all as defined in and in accordance with Articles L. 411-2, D. 411-1 to D. 411-4, D. 734-1, D 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier and article 211-2-1 of the General Regulations of the Autorité des marchés financiers or (ii) in a transaction that, in accordance with Article L. 411-2-I-1º- or – 2º- or 3º of the French Code monétaire et financier and article 211-2 of the General Regulations of the Autorité des marchés financiers does not constitute a public offer (offre au public), and is in compliance with Articles L. 341-1 to L. 341-17 of the French Code monétaire et financier.

Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and neither the Base Prospectus nor any other offering material relating to the Notes has been distributed or caused to be distributed or will be distributed or caused to be distributed to the public in France, except to the investors referred to in the paragraph above.

Pursuant to article 211-3º of the General Regulations of the Autorité des marchés financiers, Notes may only be resold, directly or indirectly, to the public in the Republic of France in accordance with applicable laws relating to public offerings (which are in particular embodied in Article L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3).

General

Each Dealer has 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, having made due and careful enquiry) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor nor any of the other Dealers shall have any responsibility therefore.

None of the Issuer, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.
GENERAL INFORMATION

Listing of Notes

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 Temporary Bearer Global Note initially representing the Notes of such Tranche. Application has been made to the U.K. Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s regulated market. The London Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The listing of the Programme in respect of Notes is expected to be granted on or about 22 December 2009. Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue.

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 16 December 2009, the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Guarantor held on 16 December 2009 and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 16 December 2009.

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

(i) the Memorandum and Articles of Association of the Issuer and the Memorandum and Articles of Association of the Guarantor;

(ii) the audited annual financial statements of the Issuer in respect of the financial years ended 31 March 2009 and 31 March 2008 and the consolidated financial statements of the Guarantor in respect of the financial years ended 31 March 2009 and 31 March 2008;

(iii) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(iv) a copy of this Base Prospectus;

(v) any future Base Prospectuses, information memoranda and supplements to this Base Prospectus including Final Terms (save that the Final Terms relating to a Note 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 Base Prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference; and

(vi) in the case of each issue of Notes admitted to trading on the Regulated Market, the syndication agreement (or equivalent document).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855, Luxembourg. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
Significant or Material Change

There has been no significant change in the financial or trading position, and no material adverse change in the financial position or prospects, of the Issuer since 31 March, 2009 and there has been no significant change in the financial or trading position, and no material adverse change in the financial position or prospects, of the Guarantor or the Group as a whole since 31 March, 2009.

Litigation

The Guarantor is aware of proceedings arising out of an international offering (outside the U.S.), and a concurrent offering in the U.S. to qualified institutional buyers, of shares in the Dutch internet service provider, World Online International NV (“World Online”). ABN AMRO Rothschild, the equity capital markets joint venture arrangement between ABN AMRO and the Guarantor, acted as one of two Joint Global Co-ordinators for the offering in March 2000. Goldman Sachs International (“Goldman Sachs”) acted as the other Joint Global Co-ordinator. ABN AMRO Rothschild was also Joint Lead Manager, Joint Bookrunner and an underwriter of the international offering and Senior Co-Manager of the US offering.

The price of shares in World Online fell significantly following the offering and the company was subsequently acquired by Tiscali S.p.A. Proceedings based upon alleged misstatements made to investors in relation to the offering were commenced in the Netherlands on behalf of two groups of investors who purchased shares in the international offering (or shortly thereafter) against ABN AMRO Bank N.V. (“ABN AMRO”) (describing it as also acting under the name ABN AMRO Rothschild). The second set of proceedings also named various other parties as defendants. The first group of investors sought to set aside their purchases and/or to recover damages whilst the second sought damages only. A first instance judgement dismissing the first of these actions was delivered in May 2003. This judgement was the subject of an appeal. The Court of Appeal in Amsterdam delivered its judgement on this appeal in October 2004, again finding in favour of ABN AMRO and dismissing the action. The second set of proceedings remain on the court file.

A third set of Dutch proceedings by the Dutch Shareholders Protection Group (the “VEB”) on behalf of certain other investors was also commenced against various parties, including ABN AMRO (describing it as acting in this matter under the name ABN AMRO Rothschild). These further proceedings, which also relate to the international offering and are again based upon alleged misstatements made to investors in relation to the offering, seek damages for those investors on whose behalf claims are advanced as well as declarations for the benefit generally of investors who subscribed for shares in the offering or purchased shares shortly thereafter. A first instance judgement in this action was delivered in December 2003, holding that World Online was liable to investors for certain misstatements, but dismissing all claims made against ABN AMRO and the other defendants. In May 2007 the Court of Appeal in Amsterdam delivered a judgement rejecting World Online’s appeal of the first instance judgement and upholding the VEB’s cross-appeal in a number of respects. The Court of Appeal judgement held that ABN AMRO and Goldman Sachs had a duty to exercise due care in managing and co-ordinating the offering, that they (and World Online) acted wrongfully in a number of respects towards investors who subscribed for shares in the IPO or shortly thereafter and that investors were misled. The VEB appealed aspects of the Court of Appeal’s judgement and ABN AMRO and Goldman Sachs cross-appealed the judgement against them. On 27 November 2009, the Dutch Supreme Court delivered a judgement in which it upheld the judgement delivered by the Court of appeal and, further, found in favour of the VEB on two additional grounds (including one raised by the VEB only on appeal relating to the price stabilisation activities undertaken by ABN AMRO on the day of the introduction of the shares in World Online to the Amsterdam stock exchange). The cross-appeals of ABN AMRO and Goldman Sachs were dismissed. The Supreme Court judgement deals only with issues of liability and not quantum. Further court proceedings will be necessary in order to quantify the amount of damages payable by the defendants following the Supreme Court’s findings. The amount of damages claimed has not been quantified in any of the three sets of proceedings.

Save as disclosed above, neither the Issuer nor the Guarantor is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Issuer, Guarantor or the Group as a whole.
Auditors
The auditors of the Issuer are KPMG Audit Plc, Chartered Accountants and Registered Auditor, of 8 Salisbury Square, London EC4Y 8BB who have audited the Issuer’s accounts, without qualification, in accordance with generally accepted auditing standards in the U.K. for each of the three financial years ended on 31 March, 2009.

The auditors of the Guarantor are KPMG Audit Plc, Chartered Accountants and Registered Auditor, of 8 Salisbury Square, London EC4Y 8BB who have audited the Guarantor’s accounts, without qualification, in accordance with generally accepted auditing standards in the U.K. for each of the three financial years ended on 31 March, 2009.

Post-issuance Information
The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes.

Governing Law
This Prospectus, and any non-contractual obligations arising out of or in connection with the Prospectus are governed by, and shall be construed in accordance with, English law.
THE ISSUER
Rothschilds Continuation Finance PLC
New Court
St. Swithin’s Lane
London EC4P 4DU

THE GUARANTOR
N. M. Rothschild & Sons Limited
New Court
St. Swithin’s Lane
London EC4P 4DU

THE TRUSTEE
BNY Corporate Trustee Services Limited
One Canada Square
London E14 5AL

ISSUING AND PRINCIPAL PAYING AGENT
The Bank of New York Mellon
One Canada Square
London E14 5AL

PAYING AGENTS
The Bank of New York Mellon (Luxembourg) S.A.
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1A Hoehenhof
L1736 Senningerberg
Luxembourg

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London EC4Y 1HS

To the Dealers and the Trustee:
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London EC1A 2FG

AUDITORS OF THE ISSUER AND THE GUARANTOR
KPMG Audit Plc
8 Salisbury Square
London
### DEALERS

<table>
<thead>
<tr>
<th>Dealer</th>
<th>Address</th>
</tr>
</thead>
</table>
| Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. (Rabobank International) | Thames Court  
One Queenhithe  
London EC4V 3RL |
| J.P. Morgan Securities Ltd.     | 125 London Wall  
London EC2Y 5AJ |
| Société Générale                | 29 Boulevard Haussmann  
75009 Paris  
France |
| HSBC Bank plc                   | 8 Canada Square  
London E14 5HQ |
| Merrill Lynch International     | 2 King Edward Street  
London EC1A 1HQ |
| The Royal Bank of Scotland plc  | 135 Bishopsgate  
London EC2M 3UR |

### ARRANGER

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<tr>
<th>Arranger</th>
<th>Address</th>
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</table>
| The Royal Bank of Scotland plc | 135 Bishopsgate  
London EC2M 3UR |