

11 July 2012

**Nederlandse Waterschapsbank N.V.**

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

**Issue of GBP 100,000,000 2.125 Fixed Rate Notes due 7 September 2016 (the Notes)**

**(to be consolidated and form a single series with the existing GBP 200,000,000 2.125 per cent. Fixed Rate Notes due 7 September 2016 issued on 8 February 2012 (the Existing Notes)) under the EUR 50,000,000,000 Debt Issuance Program**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Directive 2003/71/EC (the '**Prospectus Directive**' which term includes Directive 2010/73/EU (the '**2010 PD Amending Directive**' to the extent implemented in a relevant member state of the European Economic Area to which is referred (each, a '**Relevant Member State**')) will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the '**Conditions**') set forth in a prospectus dated 7 October 2011. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5(4) of the Directive 2003/71/EC (the '**Prospectus Directive**' which term includes Directive 2010/73/EU (the '**2010 PD Amending Directive**') to the extent implemented in a relevant member state of the European Economic Area in which the Notes are issued (each, a '**Relevant Member State**')) and must be read in conjunction with the Base Prospectus dated 10 May 2012 which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the prospectus dated 7 October 2011 and any supplements thereto (if applicable) 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, including the attached Conditions, and the Base Prospectus dated 10 May 2012. Copies of such Base Prospectus are available for viewing at the registered office of the Issuer at Rooseveltplantsoen 3, 2517 KR The Hague, the Netherlands and copies may be obtained from Citibank N.A., 14th floor, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom and, only with respect to Tranches of Notes which are solely offered and sold by the Issuer and/or the Dealers in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S, Banque Internationale à Luxembourg SA, 69, route d'Esch, 2953 Luxembourg, Grand Duchy of Luxembourg.

1. Issuer: Nederlandse Waterschapsbank N.V.
2. (a) Series Number: 1239
- (b) Tranche Number: 2
- On exchange of the Temporary Global Note for the Permanent Global Note, the Notes will be consolidated and form a single series with the Existing Notes
3. Specified Currency or Currencies: Sterling (GBP)
4. Aggregate Principal amount:
- Tranche: GBP 100,000,000
  - Series: GBP 300,000,000
5. (a) Issue Price of Tranche: 102.435 per cent. for GBP 75,000,000,000 of the Aggregate Principal amount traded on 6 July 2012 and 102.656% for GBP 25,000,000 of the Aggregate Principal amount traded on 10 July 2012, plus an amount of GBP 905,737.71 accrued interest for the period from, and including, 8 February 2012 to, but excluding, 13 July 2012
- (b) Net proceeds: GBP 103,395,987.71
6. (a) Specified Denominations: GBP 1,000
- (in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
- (b) Calculation Amount: GBP 1,000
- (Applicable to Notes in definitive form)*
7. (a) Issue Date: 13 July 2012
- (b) Interest Commencement Date: 8 February 2012
8. Maturity Date: 7 September 2016
9. Interest Basis: 2.125 per cent. Fixed Rate (further particulars specified below)

10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Not Applicable  
Redemption/Payment Basis:
12. Put/Call Options: Not Applicable
13. Status of the Notes: Senior unsecured
14. Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing and trading on the Luxembourg Stock Exchange with effect from 13 July 2012.  
  
The Existing Notes are already admitted to trading on the Luxembourg Stock Exchange.
15. Offer solely outside the United States in Reliance on Regulations S: Applicable  
  
The Notes will be in bearer form and in substantially the form set forth in schedule 3 to the agency agreement entered into between the Issuer and the Non-U.S. Paying Agent dated 10 May 2012.  
  
Non-U.S. Paying Agent: Banque Internationale à Luxembourg S.A.
16. Method of distribution: Syndicated

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

17. Fixed Rate Note Provisions: Applicable
- (a) Fixed Rate(s) of Interest: 2.125 per cent. per annum payable annually in arrear
- (b) Interest Payment Date(s): 7 September in each year up to and including the Maturity Date. The first Interest Payment Date shall be on 7 September 2012.  
  
There will be a short first coupon from the Interest Commencement Date up to and excluding 7 September 2012
- (c) Fixed Coupon Amount: GBP 21.25 per Calculation Amount (other than in respect of the first short coupon – see item 17(d) below)  
*(Applicable to Notes in definitive form)*

(d) Broken Amount(s): <i>(Applicable to Notes in definitive form)</i>	GBP 12.31 per Calculation Amount payable on the Interest Payment Date falling on 7 September 2012
(e) Fixed Day Count Fraction:	Actual/Actual (ICMA) (following, unadjusted)
(f) Determination Date(s):	7 September in each year
(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
18. Floating Rate Note Provisions:	Not Applicable
19. Zero Coupon Note Provisions:	Not Applicable
20. Index Linked Interest Note Provisions:	Not Applicable
21. Dual Currency Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

22. Issuer Call:	Not Applicable
23. Investor Put:	Not Applicable
24. Condition 6.2 (redemption for taxation reasons):	Applicable
25. Final Redemption Amount:	GBP 1,000 per Calculation Amount
26. Early Redemption Amount(s) 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 Condition 6.5):	GBP 1,000 per Calculation Amount

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

27. Form of Notes:	Bearer Notes:
(a) Form:	Temporary Bearer Global Note exchangeable 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership if Bearer Notes issued pursuant to the TEFRA D Rules,

for interests in a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes upon not less than 30 days' notice given by the holder only upon the occurrence of an Exchange Event

- (b) New Global Note: Yes
- (c) New Safekeeping Structure: No
- (d) Form of Definitive Bearer Notes: Standard Euromarket
28. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London and TARGET2
29. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): No
30. 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
31. Details relating to Installment Notes; amount of each installment, date on which each payment is to be made: Not Applicable
32. Redenomination: Redenomination not applicable
33. Whether Condition 7(a) of the Notes applies (in which case Condition 6.2 of the Notes will not apply) or whether Condition 7(b) and Condition 6.2 of the Notes applies: Condition 7(b) and Condition 6.2 apply
34. Other terms or special conditions: Not Applicable

## **DISTRIBUTION**

35. (a) If syndicated, names and addresses of Managers and underwriting commitments: Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom
- GBP: 33,300,000
- RBC Europe Limited  
Riverbank House  
2 Swan Lane  
London EC4R 3BF

United Kingdom

GBP: 33,300,000

The Royal Bank of Scotland plc  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

GBP: 33,400,000

- (b) Date of Syndication Agreement: 11 July 2012
- (c) Stabilizing Manager(s) (if any): Not Applicable
36. If non-syndicated, name and address of Dealer: Not Applicable
37. Total commission and concession: Not Applicable
38. Eligibility: Reg S only
39. U.S. Selling Restrictions: Reg. S Compliance Category; TEFRA D
40. Non-exempt Offer: Not Applicable
41. Additional Selling Restrictions: Not Applicable

#### **OPERATIONAL INFORMATION**

42. Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V./ and Clearstream Banking, société anonyme and the relevant identification numbers: Not Applicable
43. Delivery: Delivery against payment
44. Additional Paying Agent(s) (if any): Not Applicable
45. Offer Period: Not Applicable
46. Reduction of subscriptions: Not Applicable
47. Maximum and minimum subscription amount: Not Applicable
48. Intended to be held in a manner which would allow Eurosystem eligibility: No
49. For the purpose of Condition 13, notices to be published in the Financial Times: No

- ISIN: At issue the ISIN will be XS0804259298 and upon consolidation with the Existing Notes, the ISIN will be XS0743899964
- Common Code: At issue the Common Code will be 080425929 and upon consolidation with the Existing Notes, the Common Code will be 074389996
- Any other relevant code: Not Applicable
50. Ratings: The Notes to be issued have been rated:
- S& P: AAA
- Moody's: aaa
- Each of Standard and Poor's Credit Market Services Europe Limited and Moody's Investors Service Limited is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**")
51. Interests of natural and legal persons involved in the Issue: Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.
52. Reasons for the offer, estimated net proceeds and total expenses:
- (a) Reasons for the offer: See "Use of Proceeds" wording in Base Prospectus
- (b) Estimated net proceeds: GBP 103,395,987.71
- (c) Estimated total expenses: Legal, listing, admission and other costs: EUR 7,900 (consisting of EUR 900 for listing and admission costs and EUR 7,000 for legal costs)
53. Indication of yield (Fixed Rate Notes only) 1.51 per cent. per annum for GBP 75,000,000,000 of the Aggregate Principal amount traded on 6 July 2012 and 1.456 per cent. for GBP 25,000,000 of the Aggregate Principal amount traded on 10 July 2012
- The yield is calculated at the Issue Date on the

basis of the Issue Price. It is not an indication of future yield.

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to listing and trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the €50,000,000,000 Debt Issuance Program of Nederlandse Waterschapsbank N.V.

## **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:

Duly authorized

**Ron Walkier**  
*Chairman of the Managing Board*







## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each Global Note and which will be endorsed on (or, if permitted by the relevant stock exchange or other relevant authority and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each Definitive Bearer Note in the standard euromarket form and K-form and each Individual Note Certificate and will be applicable to each definitive Note in CF-form. 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 Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Note and definitive Note in the standard euromarket form and K-form and each Individual Note Certificate and will be applicable to each Definitive Bearer Note in CF-form. Reference should be made to 'Form of the Notes' above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.*

This Note is one of a series of Notes issued by Nederlandse Waterschapsbank N.V. (the 'Issuer') pursuant to the Agency Agreement (as defined below). References herein to the 'Notes' shall be references to the Notes of this Series (as defined below) and shall mean:

1. in relation to any Notes represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency,
2. definitive Notes in bearer form issued in exchange (or part exchange) for a Global Note in bearer form;
3. definitive Notes in registered form (whether or not issued in exchange for a Global Note in registered form); and
4. any Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an Amended and Restated Agency Agreement dated 7 October 2011 (as further amended and/or supplemented and/or restated from time to time, the 'Agency Agreement' (which expression shall include any supplemental agency agreements)) made between the Issuer and Citibank N.A. as issuing and principal paying agent and agent bank (the 'Principal Paying Agent', which expression shall include any successor agent) and the other paying agents named therein (together with the Principal Paying Agent, the 'Paying Agents', which expression shall include any additional or successor paying agents), Citibank N.A. as exchange agent (the 'Exchange Agent', which expression shall include any successor exchange agent and Citibank, N.A. as registrar (the 'Registrar', which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the 'Transfer Agents', which expression shall include any additional or successor transfer agents).

For the purposes of Tranches (as defined below) of Notes solely offered and sold by the Issuer and/or the Dealers in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S, and if so specified in the relevant Final Terms, the Issuer will together with Dexia Banque Internationale à Luxembourg, société anonyme, (the 'Non-U.S. Paying Agent'), enter into a agency agreement on substantially the same terms as set out in the Agency Agreement concluded between the Issuer and Citibank N.A. If a Non-U.S. Paying Agent is indicated in the Final Terms in connection with an issue of a Tranche of Notes that is only offered and sold by the Issuer and/or Dealers outside the United States to non-U.S. persons in reliance on Regulation S, all references in the Terms and Conditions of the Notes and the Base Prospectus to the 'Principal Paying Agent' shall, so far as the context permits, be construed as references to the Non-U.S. Paying Agent.

Interest bearing Definitive Bearer Notes in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) 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 Bearer Notes in the standard euromarket form repayable in installments have receipts (“Receipts”) for the payment of the installments of principal (other than the final installment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference herein to ‘Noteholders’ or ‘holders’ in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to ‘Receiptholders’ shall mean the holders of the Receipts and any reference herein to ‘Couponholders’ shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

Interest bearing Definitive Bearer Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, Talons attached but will not be issued with Receipts attached. Interest bearing Definitive Bearer Notes in CF-form will have Coupon sheets attached but will not be issued with Talons or Receipts attached. References in these Terms and Conditions to ‘Coupons’ will include references to such Coupon sheets.

The Final Terms for this Note are endorsed hereon or attached hereto or applicable hereto or incorporated by reference herein and supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the ‘applicable Final Terms’ are to the Final Terms for this Note.

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) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

Copies of the Agency Agreement and the applicable Final Terms are available for inspection at the specified offices of each of the Principal Paying Agent and the other Paying Agents, the Exchange Agent and the Registrar and the other Transfer Agents (such agents and the Registrar being referred to together as the ‘Agents’) save that Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them. The statements in the Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

## **1. FORM, DENOMINATION AND TITLE**

The Notes may be issued in bearer form (‘Bearer Notes’) or in registered form (‘Registered Notes’) as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s). Bearer Notes may not be exchanged for Registered Notes and *vice versa*. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note or a combination of any of the foregoing, depending on the Interest Basis indicated in the applicable Final Terms.

Each Note may be an Index Linked Redemption Note, an Installment Note, a Dual Currency 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 Bearer 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 Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The following information in this paragraph summarizes the most relevant provisions of the Agency Agreement with regard to this matter. The Registered Notes to be transferred must be delivered for registration to the specified office of the Registrar with the form of transfer endorsed on them duly completed and executed and must be accompanied by such documents, evidence and information (including, but not limited to, a transfer certificate as provided in the Agency Agreement) as may be required pursuant to these Terms and Conditions and such other evidence as the Issuer may reasonably require to prove the title of the transferor or his right to transfer the Registered Notes.

Except as required by law, the Issuer, the Principal Paying Agent and any other Paying Agent will treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note 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 principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Paying Agent as the holder 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).

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

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

References to DTC, 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.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, and/or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Individual Note Certificates or for a beneficial interest in another Registered Global Note only in the authorized denominations set out in the applicable Final Terms and only

in accordance with the rules and operating procedures for the time being of DTC, Euroclear, and/or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. The following information in this paragraph summarizes the most relevant provisions of the Agency Agreement with regard to this matter. For transfers of interests in a Registered Global Note for Individual Note Certificates, the Registered Notes to be transferred must be delivered for registration to the specified office of the Registrar with the form of transfer endorsed on them duly completed and executed and must be accompanied by such documents, evidence and information (including, but not limited to, a transfer certificate) as may be required pursuant to these Terms and Conditions and such other evidence as the Issuer may reasonably require to prove the title of the transferor or his right to transfer the Registered Notes. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

## **2.2 Transfers of Individual Note Certificates**

Subject as provided in paragraphs 2.5, 2.6 and 2.7 below, upon the terms and subject to the conditions set forth in the Agency Agreement (as summarized in this paragraph), an Individual Note Certificate may be transferred in whole or in part (in the authorized denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Individual Note Certificate for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Individual Note Certificate registered in the name of the transferee of a like aggregate principal amount to the Individual Note Certificate (or the relevant part of the Individual Note Certificate) transferred. In the case of the transfer of part only of an Individual Note Certificate, a new Individual Note Certificate in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

## **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

## **2.4 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## **2.5 Transfers of interests in Regulation S Global Notes**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States will only be made:

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a 'Transfer Certificate'), copies of which are available from the

specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States;

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

In the case of (a) above, such transferee may take delivery through an interest in the Rule 144A Global Note. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers.

## **2.6 Transfers of interests in Legended Notes**

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

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

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

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

## **2.7 Definitions**

In this Condition, the following expressions shall have the following meanings:

‘Distribution Compliance Period’ means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue);

‘Legended Note’ means Registered Notes (whether represented by a Rule 144A Global Note or any restricted Individual Note Certificate) sold in private transactions to QIBs in accordance with the

requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a 'Legend');

'QIB' means a qualified institutional buyer within the meaning of Rule 144A;

'Regulation S' means Regulation S under the Securities Act;

'Regulation S Global Note' means a Registered Global Note representing Notes initially sold outside the United States to non-U.S. persons in reliance on Regulation S;

'Rule 144A' means Rule 144A under the Securities Act;

'Rule 144A Global Note' means a Registered Global Note representing Notes initially sold to U.S. persons and in the United States to persons that are QIBs; and

'Securities Act' means the United States Securities Act of 1933, as amended.

### **3. STATUS OF THE NOTES AND NEGATIVE PLEDGE**

The Notes and the relative Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law. So long as the Notes or any relative Receipts or Coupons remain outstanding the Issuer will not secure any present or future indebtedness (whether being principal, premium, interest or other amounts) represented by notes, bonds or other debt securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market without securing the Notes equally and rateably except that the foregoing shall not apply to:

- (a) presently existing security which may be used to secure other obligations,
- (b) security arising by operation of law,
- (c) security to finance the purchase price of assets,
- (d) security for tax and other governmental levies which may be paid after their due date without penalty;
- (e) repurchase agreements.

### **4. INTEREST**

#### **4.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding

principal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

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

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

'Day Count Fraction' means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

(a) if 'Actual/Actual (ICMA)' is specified in the applicable Final Terms:

(i) 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) to (but excluding) the relevant payment date (the 'Accrual Period') is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

(A) 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; and

(B) 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 that would occur in one calendar year;

(b) if '30/360' is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

(c) If 'Actual/365 (Fixed)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Terms and Conditions:

'Determination Period' means the period from (and including) a Determination Date 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.



## 4.2 Interest on Floating Rate Notes and Index Linked Interest Notes

### (a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (i) the Specified Interest Payment Date(s) (each an 'Interest Payment Date') in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an 'Interest Payment Date') which falls on 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.

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) 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 on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition (ii) 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 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 the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) 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 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 in any Additional Business Centre specified in the applicable Final Terms; and

(b) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London or any Additional Business Centre) or (2) in relation to any sum payable in Euro, a day on which Trans-European Automated Real-Time Gross

Settlement Express Transfer (TARGET2) System (the 'TARGET2 System') is open.

**(b) Rate of Interest**

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

**(i) ISDA Determination for Floating Rate Notes**

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

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is the period specified in the applicable Final Terms; and

(C) 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.

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

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

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

(A) the offered quotation (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 which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. 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 quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph 0 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 (A) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. The following summarizes the most relevant provisions of the Agency Agreement with regard to this matter. In such an event, the Principal Paying Agent shall request that each of the Reference Banks (as defined below) provide the Principal Paying Agent with its

offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

The expression 'Reference Banks' means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Principal Paying Agent or as specified in the applicable Final Terms.

If the Reference Rate from time to time in respect of Floating Rate 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.

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

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and Calculation of Interest Amount**

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

The Principal Paying Agent will calculate the amount of interest (the 'Interest Amount') payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated 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 principal 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;
- (C) and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note 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, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) 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);

- (ii) if 'Actual/365 (Fixed)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if 'Actual/365 (Sterling)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if 'Actual/360' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) 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:

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

where:

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

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

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

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

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

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

- (vi) 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:

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

where:

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

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

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

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

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

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

- (vii) 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:

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

where:

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

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

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

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

'D<sub>1</sub>' is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

'D<sub>2</sub>' is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**(e) Notification of Rate of Interest and Interest Amounts**

The applicable Principal Paying Agent for each Series 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 and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) following the commencement of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. 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.

**(f) 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 4.2 by the Principal Paying Agent for each Series or, if applicable, the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the applicable Principal Paying Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the applicable Principal Paying Agent or, if applicable, the Calculation Agent in connection

with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.3 Interest on Dual Currency Notes**

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

#### **4.4 Interest on Partly Paid Notes**

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

#### **4.5 Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 or individually.

### **5. PAYMENTS**

#### **5.1 Method of Payment**

Subject as provided below:

- (a) payments in a Specified Currency other than Euro will be made by 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 by a check 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, shall be Sydney); and
- (b) 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.

#### **5.2 Presentation of Definitive Bearer Notes, Receipts and Coupons**

Other than in the case of definitive Notes in CF-form, payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph 5.1 above only against surrender of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (as defined below).

Payments of principal in respect of any definitive Notes in CF-form will be made in the manner provided in paragraph 5.1 above only against surrender of definitive Notes together with the Coupon sheet attached. Payments of interest in respect of any definitive Notes in CF-form will be made outside the United States in conformity with the agreement concluded at such time between the Issuer and the '*Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.*' (the 'Obligatiekantoor') in Amsterdam,

under which agreement the Issuer will accept the rules and regulations of the Obligatiekantoor.

Payments of installments of principal (if any) in respect of Definitive Bearer Notes, other than the final installment, will (subject as provided below) be made in the manner provided in paragraph 5.1 above against presentation and surrender of the relevant Receipt. Payment of the final installment will be made in the manner provided in paragraph 5.1 above against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant installment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer 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 represented by a Definitive Bearer Note (other than Dual Currency Notes, Index Linked Notes and 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) at the specified office of any Paying Agent outside the United States, 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 five years after the date on which such principal first became due (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. Upon any Fixed Rate Note represented by a Definitive Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note represented by a Definitive Bearer Note becomes due and repayable, unmatured Receipts, 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. Where any such Bearer Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A 'Long Maturity Note' is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose principal 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 principal amount of such Note.

If the due date for redemption of any Definitive Bearer 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 Bearer Note.

### **5.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note, where applicable, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

#### **5.4 Payments in respect of Registered Notes**

Payments of principal (other than installments of principal prior to the final installment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the 'Register') (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a check in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, 'Designated Account' means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than Euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney) and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest and payments of installments of principal (other than the final installment) in respect of each Registered Note (whether or not in global form) will be made by a check in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the 'Record Date') at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and installments of principal (other than the final installment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final installment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a check posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than US Dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in US Dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records



relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## **5.5 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 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, Clearstream, Luxembourg or DTC as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing provisions of paragraph 5.2 above, US Dollar payments of principal and interest in respect of Bearer Notes may be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US Dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US Dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## **5.6 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 (unless otherwise specified in the applicable Final Terms), 'Payment Day' means any day which is:

- (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:
  - (i) the case of Notes in definitive form only, the relevant place of presentation; and
  - (ii) any Additional Financial Centre specified in the applicable Final Terms;
- (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 in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney), or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than US Dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in US Dollars, a day on which commercial banks are not authorized or required by law or regulation to be closed in New York City.

## **5.7 Interpretation of Principal and Interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Installment Notes, the Installment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortized Face Amount; and
- (g) any premium and any other amounts 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.

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be fully 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.

### **6.2 Redemption for Tax Reasons**

Unless this Condition is stated in the applicable Final Terms not to apply, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable) if, 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 as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Each Note redeemed pursuant to this Condition 6.2 will be redeemed at its Early Redemption Amount referred to in paragraph 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent for such Series and, in the case of a redemption of Registered Notes, the Registrar,

(both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated 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, Clearstream, Luxembourg and/or DTC, 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. 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 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

#### **6.4 Redemption of Notes at the Option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms as having an option to redeem, 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 or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 6.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note its holder must deliver at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a 'Put Notice') and in which the holder must specify a bank account (or, if payment is by check, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the principal amount thereof to be redeemed and, if less than the full principal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, or DTC or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or DTC from time to time and, if this Note is represented by a Global Note the terms of which require presentation for recording changes to its principal amount, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

## 6.5 Early Redemption Amounts

For the purpose of paragraph 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note (other than a Zero Coupon Note but including an Installment 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 to 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 principal amount; or
- (b) in the case of a Zero Coupon Note, at an amount (the 'Amortized Face Amount') calculated in accordance with the following formula:

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

where:

'RP' means the Reference Price; and

'AY' means the Accrual Yield; 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.

- (c) in any other case, 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 their principal amount.

## 6.6 Installments

Installment Notes will be repaid in the installment amounts and on the installment dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph 6.5 above.

## 6.7 Partly Paid Notes

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

## 6.8 Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

## **6.9 Cancellation**

All Notes which are redeemed will subject to paragraph 6.8 above forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph 6.8 above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be re-issued or resold.

## **6.10 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 6.1, 6.2, 6.3 or 6.4 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 6.5(b) 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:

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

## **7. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts Talons and Coupons by the Issuer will be made without withholding or deduction for any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by the Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will depending on which provision is specified in the applicable Final Terms either:

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts, Talons or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts, Talons or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts, Talons or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts, Talons or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt, Talon or Coupon:
  - i. to a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
  - ii. to a Noteholder, Receiptholder or Couponholder 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
  - iii. presented for payment, where presentation is required, more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

- iv. where such withholding or deduction is in respect of any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property tax or any similar tax, assessment or governmental charge; or
- v. where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the EU Savings Directive 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 implementing or complying with, or introduced in order to conform to, such Directive, including, but not limited to, any law or measure similar to the requirements set forth in the EU Savings Directive as adopted by Switzerland in relation with the EU Savings Directive; or
- vi. presented for payment, where presentation is required, by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt Talon or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the 'Relevant Date' means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

Any reference in these Terms and Conditions to principal and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 or any undertaking given in addition thereto or in substitution therefore.

## 8. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of five years (in the case of both principal and 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 5.2 or any Talon which would be void pursuant to Condition 5.2.

## 9. EVENTS OF DEFAULT

If any one or more of the following events (each an 'Event of Default') shall have occurred and be continuing:

- (a) default is made for more than 14 days in the payment of interest or principal in respect of the Notes; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (c) an encumbrancer takes possession of the whole or a major part of the assets of the Issuer, or a distress or execution or other process is levied or enforced upon or sued out against the whole or a major part of the assets of the Issuer or an executory attachment ('*executoriaal beslag*') is made on any major part of the Issuer's assets or a conservatory attachment ('*conservatoir beslag*') is made thereof and in any of the foregoing cases it is not cancelled or withdrawn within 30 days; or
- (d) any order is made by any competent court or other authority or resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or

substantially all of its assets or the Issuer enters into a composition with its creditors, files a petition for a suspension of payments, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt,

then any Noteholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6.5), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

## **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 applicable Principal Paying Agent at its office outside the United States (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) 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. AGENTS**

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

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) 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 (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or listing authority;
- (b) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (c) there will at all times be a Principal Paying Agent and a Registrar;
- (d) so long as any of the Registered Global Notes payable in a Specified Currency other than US Dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
- (e) the Issuer will use reasonable efforts to appoint and maintain a Paying Agent with a specified office in a country in Europe which is not obliged to withhold or deduct tax pursuant to the EU Savings Directive or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5.5. 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.

## **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 Principal Paying Agent or any other Paying Agent at its office outside the United States 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. Each Talon shall, for the purposes of these Terms and Conditions,

be deemed to mature on the Interest Payment Date (on which the final Coupon comprised in the relative Coupon sheet matures).

### **13. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in at least one daily newspaper of wide circulation in the Netherlands (which is expected to be '*Het Financieele Dagblad*'), (ii) if so specified in the applicable Final Terms, in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times) and (iii) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the website of the Luxembourg Stock Exchange. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable, be substituted for such publication in such newspaper(s) referred to above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable, for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as applicable.

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (provided that, in the case of any publication required by a stock exchange or listing authority, that stock exchange or listing authority agrees) give notices individually to such holders in lieu of publication as provided above.

Notices to be given by any holder of the Notes 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 Principal Paying 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 Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

### **14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in principal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof,



reducing or canceling 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 principal 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 Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the Netherlands.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## **15. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or 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, provided that (i) in the case of Notes which were issued in accordance with the TEFRA D Rules that are initially represented by a Temporary Bearer Global Note exchangeable for interests in a Permanent Bearer Global Note or Definitive Bearer Notes, such consolidation can only occur following the exchange of interests in the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note or Definitive Bearer Notes upon certification of non U.S. beneficial ownership and (ii) in the case of Registered Notes, if such further notes are not fungible with the previously issued Registered Notes for U.S. federal income tax purposes, the further notes will have a separate common code, ISIN, CUSIP and CINS (where applicable) from such numbers assigned to the previously issued Registered Notes.

## **16. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

The Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the court (*Rechtbank*) and its appellate courts at The Hague, the Netherlands. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons) may be brought in any other court of competent jurisdiction.