



BOATS Investments (Netherlands) B.V.

(incorporated with limited liability in the Netherlands having its seat in Amsterdam, the Netherlands)

U.S.\$10,000,000,000 Secured Note Programme

Under its U.S.\$10,000,000,000 Secured Note Programme (the “**Programme**”), BOATS Investments (Netherlands) B.V. (the “**Issuer**”) may from time to time issue Bond Obligation Asset Trust Securities (“**Notes**”) on the terms set out herein, as modified and/or supplemented by an Issue Memorandum relating thereto (each an “**Issue Memorandum**”). Notes will be issued in series (each, a “**Series**”), Notes of each Series having the same maturity date, bearing interest (if any) on the same basis and on terms otherwise identical. The aggregate principal amount of Notes that may be outstanding at any time is U.S.\$10,000,000,000 (or the equivalent in other currencies at the date of issue). References in this Programme Memorandum to the “applicable Issue Memorandum” are to the Issue Memorandum which sets out specific terms of each series of Notes.

The obligations of the Issuer under each Series of Notes and the Swap Agreement (as defined herein) relating thereto will (save as provided below) be secured by way of charge, pledge or other security interest, as described in the applicable Issue Memorandum, over one or both of (a) certain securities (the “**Securities**”) that are owned by the Issuer and (b) the rights of the Issuer under certain agreements entered into by it in connection with the Notes and the Securities (if any), in each case in favour of The Bank of New York Mellon (the “**Trustee**”) for itself and as trustee for the holders of the Notes (the “**Noteholders**”), the holders of the Coupons (if any) appertaining to the Notes (the “**Couponholders**”) and for the Counterparty (as defined below), all as set forth in the terms and conditions (the “**Conditions**”) under “Terms and Conditions of the Notes in Bearer Form” and in the applicable Issue Memorandum. Subject to the assignment in favour of The Bank of New York Mellon in its capacity as Principal Paying Agent, described under “Terms and Conditions of the Notes in Bearer Form — Security”, the obligations of the Issuer under each Series will also be secured by an assignment by way of security by the Issuer of its rights under the Swap Agreement relating to such Series in favour of the Trustee for itself and as trustee for the Noteholders and the Couponholders (if any). The Counterparty, the Noteholders and the Couponholders (if any) may have the benefit of additional security. The Issue Memorandum applicable to a Series will describe such additional security (if any). In addition, the Issuer may, without the consent of the Trustee, issue unsecured notes provided that, pursuant to their terms, the maximum amount due in respect of such notes is limited to the Available Assets (as defined herein) and to the extent the Available Assets are not sufficient to meet in full the claims of the holders, none of the other assets of the Issuer will be available to meet such shortfall, and all claims in respect of such shortfall shall be extinguished.

If the net proceeds of the security upon enforcement are insufficient to meet in full the claims of the Noteholders, the Couponholders (if any) and the Counterparty, the Conditions and the Swap Agreement will provide that none of the other assets of the Issuer will be available to meet the insufficiency and that any outstanding liability of the Issuer in respect of such claims will be extinguished upon such enforcement (regardless of any such insufficiency). Unless otherwise specified in the applicable Issue Memorandum, the claims of the Counterparty will rank in priority to the claims of the Noteholders and the Couponholders (if any).

Each Issue Memorandum will set out certain information with respect to the Notes of the Series to which it relates, including details of the Securities (if any) and the security.

Payments in respect of the Notes comprising each Series will be made without withholding or deduction for or on account of Netherlands taxes unless required by law. The Issuer will not be obliged to gross-up on payments in respect of the Notes and any imposition of withholding taxes on payments in respect thereof may lead to redemption of the Notes. See “Terms and Conditions of the Notes in Bearer Form — Redemption, Exchange and Purchase”. In such event, or in such other circumstances as are specified in the Conditions, the Securities (if any) will be sold and the net proceeds applied to satisfy the claims of the Counterparty in full before any payment is made to the Noteholders and the Couponholders (if any).

This Programme Memorandum has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Programme Memorandum as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Programme Memorandum constitutes a base prospectus for the purposes of the Prospectus Directive.

Application will be made to the Irish Stock Exchange for certain Series during the period of twelve months from the date of this Programme Memorandum to be admitted to the Official List and trading on its regulated market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Notes may be listed on such other or further stock exchange(s). The Issuer may also issue unlisted Notes.

Credit Suisse International

This Programme Memorandum is dated 7 October 2010

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The delivery of this Programme Memorandum at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

This Programme Memorandum may be used in connection with the issue of not more than U.S.\$10,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.

In connection with each issue and sale of Notes, no person is authorised to give any information or to make any representation not contained in this Programme Memorandum or the applicable Issue Memorandum and neither the Issuer, Credit Suisse International (the “**Arranger**”) nor any of the Dealers (if any) accepts responsibility for any information or representation so given which is not contained in this Programme Memorandum or the applicable Issue Memorandum.

If the terms of the Programme are varied or supplemented in any manner that would make this Programme Memorandum (including any document incorporated by reference) inaccurate or misleading in any manner, the Issuer will prepare a supplement to this Programme Memorandum (each a “**Supplemental Programme Memorandum**”), or publish a new Programme Memorandum, as appropriate. Furthermore, in the event of a material change in the financial position of the Issuer that is not reflected in this Programme Memorandum (including any document incorporated by reference), the Issuer will prepare a Supplemental Programme Memorandum, or publish a new Programme Memorandum, for use in connection with any subsequent application to list a Series on the Irish Stock Exchange.

The distribution of the Programme Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Programme Memorandum comes are required by the Issuer, the Dealers (if any) and the Arranger to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of the Notes and on distribution of the Programme Memorandum see “Subscription and Sale”. Additional restrictions on offers and sales in relation to a Series of Notes may be set out in the Issue Memorandum relating to that Series.

This Programme Memorandum does not constitute an offer of Notes and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of Notes or the distribution of the Programme Memorandum in any jurisdiction where such action is required (save as provided in the applicable Issue Memorandum).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons. (See “**Subscription and Sale**”).

None of the Issuer, the Arranger, the Dealers (if any) or The Bank of New York Mellon makes any representation as to the creditworthiness of the Issuer of any Securities or of the Counterparty. Each prospective purchaser of Notes should make its own assessment of the creditworthiness of the issuer of the Securities (if any) and of the Counterparty.

The language of this Programme Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Programme Memorandum, references to “EUR” are to Euro and references to “U.S.\$” are to United States dollars.

TABLE OF CONTENTS

	Page
UNDERTAKING	4
DOCUMENTS INCORPORATED BY REFERENCE	5
RISK FACTORS	6
TERMS AND CONDITIONS OF THE NOTES IN BEARER FORM	11
SUMMARY OF PROVISIONS RELATING TO THE NOTES IN BEARER FORM WHILE REPRESENTED BY A GLOBAL NOTE	30
DESCRIPTION OF THE ISSUE MEMORANDUM.....	33
DESCRIPTION OF THE SWAP AGREEMENT.....	34
BOATS INVESTMENTS (NETHERLANDS) B.V.....	39
DUTCH TAXATION.....	40
GENERAL INFORMATION.....	49

UNDERTAKING

With respect to any issue of Notes which may be listed on the Irish Stock Exchange, the Issuer will use reasonable endeavours to procure that such Notes are so listed, and pursuant thereto will comply with any undertakings required by the rules of the Irish Stock Exchange to be given by it to the Irish Stock Exchange and shall furnish all such information as the rules of the Irish Stock Exchange may require in connection with any such listing of the relevant Notes. The Issuer will prepare a new programme memorandum if there is a significant change in the circumstances of the Issuer or otherwise affecting any matter contained in this Programme Memorandum.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Programme Memorandum:

1. Audited annual report and accounts for the financial year ending on 31 December 2008;
and
2. Audited annual report and accounts for the financial year ending on 31 December 2009.

RISK FACTORS

The purchase of, or investment in, the Notes involves substantial risks. Each prospective purchaser of, or investor, in Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of, or investors in, Notes should conduct such independent investigation and analysis regarding the Issuer, the Notes, each Counterparty under each Swap Agreement and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. However as part of such independent investigation and analysis, prospective purchasers of or investors in Notes should consider carefully all the information set forth in this Programme Memorandum, in the applicable Issue Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Programme Memorandum and in the applicable Issue Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial, tax and regulatory circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

- (1) are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for an indefinite period of time;
- (2) are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (3) recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

The applicable Issue Memorandum in connection with a Series of Notes may contain sections setting out, in relation to the relevant Series, certain suitability and other investment considerations and/or risk factors relating to such Series and particular attention is drawn to those sections.

The Issuer, the Arranger or any Dealer may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. In relation to any issue of Notes under the Programme, attention is drawn, in particular, to the sections entitled “Terms and Conditions of the Notes in Bearer form - Security” and “Terms and Conditions of the Notes - Enforcement and Extinguishing of Liabilities”.

Notes issued by the Issuer under the Programme may be illiquid and/or leveraged investments, the purchase of which involves substantial risks. None of the Issuer, the Arranger or any Dealer will undertake to make a market in the Notes of any Series.

Investors' attention is also drawn to the Taxation section of this Programme Memorandum.

The tax consequences for each investor in the Notes can be different and therefore investors are advised to consult with their tax advisers as to their specific consequences.

DESCRIPTION OF THE PROGRAMME

The following description of the Programme is qualified in its entirety by the remainder of this Programme Memorandum and, in relation to each Series, the Issue Memorandum relating to such Series.

Issuer:	BOATS Investments (Netherlands) B.V.
Description:	U.S.\$10,000,000,000 Secured Note Programme
Counterparty:	Credit Suisse International
Trustee:	The Bank of New York Mellon
Arranger:	Credit Suisse International
Principal Paying Agent:	The Bank of New York Mellon
Paying Agents:	In relation to a Series of Notes, the Principal Paying Agent, together with each other person (if any) as may be specified in the applicable Issue Memorandum will act as paying agents (each a "Paying Agent").
Size:	Up to U.S.\$10,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Notes outstanding at any one time.
Security:	<p>The obligations of the Issuer under each Series of Notes will, save as provided below, be secured by way of charge, pledge or other security interest, as described in the applicable Issue Memorandum, over one or both of (a) the Securities (if any) relating to that Series and (b) the rights of the Issuer under certain agreements entered into by it in connection with the Notes and the Securities (if any). Subject to the Principal Paying Agent Assignment, the obligations of the Issuer under each Series of Notes will also be secured by an assignment by way of security of the rights of the Issuer under the Swap Agreement relating to that Series.</p> <p>Although the Notes of each Series will, save as provided below, be secured Notes, there is no requirement that the Notes of any Series be secured by a security interest over securities owned by the Issuer.</p>
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currency or currencies as the Issuer, the Dealers for the relevant Series (if any) and the Arranger agree. From time to time or under certain circumstances there may be restrictions applicable to Notes denominated or payable in particular currencies or currency units.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with maturities of one day or longer.

Issue Price:	Notes may be issued at their principal amount, or at a premium over, or discount to, their principal amount.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Issue Memorandum.
Floating Rate Notes:	Floating Rate Notes will bear interest by reference to the London inter-bank offered rate for the relevant currency or such other benchmark as may be specified in the applicable Issue Memorandum, as adjusted for any applicable spread. Interest periods will be specified in the applicable Issue Memorandum. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at a discount to or at their principal amount and will not bear interest other than in relation to interest that may accrue after the due date for redemption of such Notes.
Variable Rate Notes:	Variable Rate Notes will bear a variable rate of interest, which will be determined in accordance with the terms set out in the applicable Issue Memorandum.
Variable Redemption Amount Notes:	Variable Redemption Amount Notes will be redeemed at an amount determined by reference to levels of one or more of interest rates, currencies, securities, equities, equity indices and commodities in accordance with the terms set out in the applicable Issue Memorandum.
Exchangeable Notes:	Exchangeable Notes may be redeemed by the Issuer making available for delivery to Noteholders the Securities relating to such Notes against presentation and surrender thereof in accordance with the terms set out in the applicable Issue Memorandum.
Callable Notes:	Callable Notes may be redeemed early at the option of the Issuer at the Optional Redemption Amount in accordance with the terms set out in the applicable Issue Memorandum.
Puttable Notes:	Puttable Notes may be redeemed early at the option of the Noteholders at the Optional Redemption Amount in accordance with the terms set out in the applicable Issue Memorandum.
Credit-linked Notes:	Credit-linked Notes may be redeemed on or prior to the scheduled maturity date upon the occurrence of a Credit Event in accordance with the terms set out in the applicable Issue Memorandum.
Other Notes:	In addition, Notes may be issued with any other terms not specified herein which shall be agreed upon by the Issuer and the Dealers for the relevant Series (if any) and the Arranger and specified in the Issue Memorandum relating to such Notes.

Form of Notes:

Notes may be issued in bearer or registered form. If the C Rules are specified as being applicable in the Issue Memorandum relating to a Series, the Notes of that Series will be represented initially by a Permanent Global Note, which will be exchangeable for definitive Notes (“**Definitive Notes**”) in the circumstances set out therein. If the D Rules are specified as being applicable in the Issue Memorandum relating to a Series, the Notes of that Series will be represented initially by a temporary global note (a “**Temporary Global Note**”), which will be exchangeable for interests in a Permanent Global Note, without interest coupons, after 40 days from the relevant issue date. Each Permanent Global Note will be exchangeable for Definitive Notes in the circumstances set out therein. References herein to “Global Notes” are to the Temporary Global Notes together with the Permanent Global Notes; references herein to the “C Rules” are to the provisions of U.S. Treas. Reg. Sec. 1.163-5(c)(2)(i)(C); and references herein to the “D Rules” are to the provisions of U.S. Treas. Reg. Sec. 1.163-5(c)(2)(i)(D).

Clearance Systems:

Each Global Note will be deposited (a) in the case of Notes intended to be cleared through Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor thereto (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), on the relevant issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (a “**Common Depositary**”) or (b) in the case of Notes intended to be cleared through a clearance system other than Euroclear or Clearstream, Luxembourg or to be delivered outside any clearance system, as agreed between the Issuer, the Principal Paying Agent, the Dealers for the relevant Series (if any) and the Arranger (subject to, in the case of a Series of Notes intended to be listed on the Irish Stock Exchange or any other stock exchange, the rules and regulations of the relevant stock exchange). Application will not be made to the Irish Stock Exchange to list a Series of Notes that are intended to be held by a single holder outside of any clearance system. No payments will be made in respect of a Temporary Global Note except as described under “Summary of Provisions Relating to the Notes in Bearer Form while represented by a Global Note”.

Mandatory Redemption:

If any of the Securities relating to a Series becomes repayable prior to its stated maturity or there is a payment default in respect of any of the Securities, the Notes of that Series shall become repayable *pro rata*, unless the Notes of that Series are Credit-linked Notes. See “Terms and Conditions of the Notes in Bearer Form – Redemption, Exchange and Purchase – Mandatory Redemption”.

Redemption for Taxation and Other Reasons:	The Notes will also be repayable upon the occurrence of taxation and other events as described in “Terms and Conditions of the Notes in Bearer Form – Redemption for taxation and other reasons”.
Optional Redemption:	A Series of Notes may be redeemable prior to their stated maturity at the option of the Issuer or the Noteholders, as the case may be, in accordance with the terms set out in the applicable Issue Memorandum.
Status:	The Notes of each Series will be secured limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and secured in the manner described in “Terms and Conditions of the Notes in Bearer Form – Security”.
Listing:	Application will be made to the Irish Stock Exchange for certain Series (other than Series of Notes in registered form) during the period of one year from the date of this Programme Memorandum to be admitted to the Official List and trading on its regulated market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted, as specified in the applicable Issue Memorandum.
Negative Pledge/Restrictions:	So long as any of the Notes remains outstanding, the Issuer will not, without the consent of the Trustee, incur any other indebtedness for borrowed moneys, engage in any business (other than the transactions contemplated by this Programme Memorandum) or have any subsidiaries (other than subsidiaries contemplated by this Programme Memorandum). See “Terms and Conditions of the Notes in Bearer Form – Restrictions”.
Cross Default:	None
Withholding Tax:	All payments in respect of the Notes will be made without withholding or deduction for or on account of Netherlands taxes unless required by law. The Issuer shall not be obliged to gross up payments in respect of the Notes. See “Terms and Conditions of the Notes in Bearer Form – Taxation”.
Governing Law:	English
Irish Listing Agent:	The Bank of New York Mellon (Ireland) Limited

TERMS AND CONDITIONS OF THE NOTES IN BEARER FORM

Unless it is specified in the applicable Issue Memorandum that the Notes are issued in registered form, the text of the terms and conditions set out below, as supplemented by or varied in accordance with the applicable Supplemental Trust Deed, and described in the applicable Issue Memorandum, will apply thereto and, subject to the deletion of inapplicable provisions, will be endorsed on the Notes in definitive form. If the Notes are issued in registered form, the terms and conditions will be as set out in the applicable Issue Memorandum. References in the terms and conditions to "Notes" are to Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted and secured by a supplemental trust deed (as the same may be amended, supplemented or restated from time to time, the "**Supplemental Trust Deed**") dated the Issue Date specified in the Supplemental Trust Deed between BOATS Investments (Netherlands) B.V. (the "**Issuer**"), Credit Suisse International (the "**Counterparty**") and The Bank of New York Mellon whose office is as at the Issue Date at One Canada Square, London E14 5AL, as Trustee for the holders of Notes (the "**Trustee**", which expression includes, where the context admits, any successors thereto) and by a principal trust deed dated 12 February 1998 (as supplemented by a supplemental trust deed dated 19 December 2000, a supplemental trust deed dated 14 February 2001 and a supplemental trust deed dated 24 July 2007) between the Issuer, the Counterparty and the Trustee (as the same may be amended, supplemented or restated from time to time, the "**Principal Trust Deed**" and together with the Supplemental Trust Deed, the "**Trust Deed**").

Payments under the Notes will be made pursuant to an agency agreement dated 12 February 1998 (as the same may be amended, supplemented or restated from time to time, the "**Agency Agreement**") between the Issuer, the Trustee, The Bank of New York Mellon as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression includes, where the context admits, any successors thereto, and together with any other paying agents appointed, the "**Paying Agents**", which expression includes, where the context admits, any successor or additional paying agents) and as authentication agent (in such capacity, the "**Authentication Agent**", which expression includes, where the context admits, any successors thereto) and Credit Suisse International as agent bank (in such capacity, the "**Agent Bank**", which expression includes, where the context admits, any successors thereto) and as calculation agent (in such capacity, the "**Calculation Agent**", which expression includes, where the context admits, any successors thereto).

The Notes are subject to these terms and conditions as modified or supplemented by the terms set out in the Supplemental Trust Deed (the "**Conditions**") and the detailed provisions of the Trust Deed and the Agency Agreement, copies of which are available for inspection at the principal office of the Trustee and the specified office of the Principal Paying Agent. The holders of the Notes (the "**Noteholders**") and the holders of the coupons (the "**Coupons**"), if any, appertaining thereto (the "**Couponholders**") are entitled to the benefit of, and are deemed to have notice of, all the provisions contained in the Trust Deed and the Agency Agreement, which provisions are binding on them.

The Issuer has entered into an ISDA Master Agreement (together with the Schedule thereto, the "**Master Agreement**") with the Counterparty and the Counterparty has issued a confirmation confirming the terms of a swap or option transaction entered into pursuant thereto with an effective date as of the Issue Date (together with the Master Agreement, the "**Swap Agreement**").

1. Form, Denomination and Title

The Notes are in bearer form in the Denomination(s) specified in the Supplemental Trust Deed with, unless the Notes are Zero Coupon Notes, Coupons attached.

The holder of any Note or Coupon shall be treated at all times for all purposes (to the fullest extent permitted by applicable law) by each of the Issuer, the Trustee and the Paying Agents as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice to the contrary).

2. Status and Winding up

(a) Status

The Notes and the Coupons (if any) are secured, limited recourse obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves.

(b) Winding up

On a winding up (including bankruptcy, moratorium of debts and voluntary dissolution) of the Issuer, the net proceeds of the security described below shall be applied as set out in these Conditions.

3. Security

(a) Description of Security

The Issuer's obligations under the Trust Deed, the Notes, the Coupons (if any) and the Swap Agreement are, save as provided below, secured by way of charge, pledge or other security interest, as specified in the Supplemental Trust Deed, over one or both of (a) certain securities (the "**Securities**") that are owned by the Issuer and (b) the rights of the issuer under certain agreements entered into by it in connection with the Notes and the Securities (if any), in each case in favour of the Trustee. The Issuer's obligations under the Trust Deed, the Notes and the Coupons (if any) are also secured by an assignment by way of security of the Issuer's rights under the Swap Agreement in favour of the Trustee for itself and for the benefit of the Noteholders and the Couponholders (if any). With effect from the Issue Date, the Issuer has assigned to the Principal Paying Agent the benefit of the undertaking given by the Counterparty to the Issuer to pay to the Principal Paying Agent certain sums due to the Issuer under the Swap Agreement (the "**Principal Paying Agent Assignment**"). The assignment by way of security by the Issuer of its rights under the Swap Agreement in favour of the Trustee for itself and for the benefit of the Noteholders and the Couponholders (if any) is made expressly subject to the Principal Paying Agent Assignment. As used in these Conditions, "**Security**" means the security to which the Mortgaged Property (as defined in the Trust Deed) is subject. In addition, the Issuer may, without the consent of the Trustee, issue unsecured notes provided that pursuant to their terms, (i) the maximum amount due on such notes is limited to the Available Assets and to the extent that the Available Assets are not sufficient to meet in full the claims of the holders of such unsecured notes none of the other assets of the Issuer will be available to meet such shortfall, and all claims in respect of such shortfall shall be extinguished; and (ii) the Issuer shall ensure that all Available Assets shall be kept segregated (and identified as Available Assets in respect of such notes) from any other assets of the Issuer.

In these Conditions, "**Available Assets**" means the sums (if any) available from the swap agreement and/or the securities referred to in the terms of the relevant notes, or sums available on realisation of such swap agreement and/or securities, and/or such other assets and/or moneys all as specified in such terms after making any payments due in respect of such swap agreement provided that such Available Assets do not form or comprise the Mortgaged Property in respect of any Notes.

(b) Realisation of Security

If the Security becomes enforceable following non-payment of principal of the Notes, the Trustee shall realise the Security (including, if any, the Securities or the Repayable Securities (as defined below)), as the case may be and, where necessary, take action against the issuer of the Securities or the Repayable Securities, as the case may be, to enforce repayment of the Securities or the Repayable Securities, as the case may be, provided that the Trustee shall not be required to take any action that would involve the Trustee in personal liability or expense unless indemnified and/or secured and/or pre-funded to its satisfaction.

In the case of an early redemption or acceleration of the Notes, the net proceeds of the enforcement of the Security shall be applied towards payment of the Redemption Amount (as described below) and interest (if any) and the corresponding termination payment (if any) to the Counterparty under the Swap Agreement in the order specified in the Trust Deed.

When acting in relation to the Security (whether before or after enforcement of the same) the Trustee shall have regard primarily to the interests of the Counterparty and, if indemnified to its satisfaction, shall act as instructed by the Counterparty. The Trustee shall have regard to the interests of the Noteholders and the Couponholders (if any) in relation to the Security only in so far as they do not conflict with the interests of the Counterparty. The Trustee shall not be responsible to any Noteholder or any Couponholder (if any) for acting on the instructions of, or not acting until instructed by, the Counterparty in relation to the Security, whether or not the interests of such Noteholder or Couponholder (if any) conflict with the interests of the Counterparty.

(c) Application of proceeds

The Trust Deed provides that if the Security has become enforceable for any reason, the net proceeds of the enforcement of the Security shall be applied (unless otherwise specified in the Supplemental Trust Deed) as follows:-

- (i) first, to the extent it is practicable to apportion the Trustee's expenses among the Series of Notes then outstanding, in payment of the Trustee's expenses, liabilities and remuneration and any other amounts due to the Trustee in respect of the Notes;
- (ii) second, in meeting claims (if any) of the Custodian under the Agency Agreement and the Custody Agreement relating to the relevant Series in respect of any fees, expenses or other amounts payable by the Issuer, including any claim for reimbursement by the Issuer in respect of any amount receivable in respect of the Securities paid out prior to receipt of the same by the Custodian;
- (iii) third, in meeting claims (if any) of the Counterparty under the Swap Agreement;
- (iii) fourth, in paying amounts due to the Noteholders and the Couponholders (if any) in respect of the principal outstanding in respect of the Notes and any interest payable thereunder; and
- (iv) fifth, in payment of the balance (if any) to the Issuer.

(d) Shortfall after application of proceeds

If the net proceeds of the enforcement of the Security are not sufficient to make all payments due in respect of the Notes and the Coupons (if any) and for the Issuer to meet its obligations, if any, in respect of the termination of the Swap Agreement (or a part thereof), the net proceeds shall be applied in accordance with the provisions of the Trust Deed and the other assets of the Issuer shall not be available for payment of any shortfall arising therefrom. Claims in

respect of any such shortfall remaining after realisation of the Security in accordance with this Condition and application of the proceeds in accordance with the Trust Deed shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under these Conditions.

The Trustee and the Counterparty have agreed that none of the Trustee, the Noteholders, the Couponholders (if any) and the Counterparty shall be entitled at any time to institute against the Issuer, or to join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Coupons (if any), the Trust Deed or the Swap Agreement. The Principal Paying Agent has agreed with the Issuer in terms substantially similar to the foregoing in the Agency Agreement.

4. Restrictions

(a) Further issues and Transactions

The Issuer may issue from time to time (without the consent of the Noteholders or the Couponholders (if any), but provided that the Trustee is satisfied that the restrictions contained in this Condition will be complied with) further bonds and notes (which may be consolidated and form a single series with the Notes if issued in accordance with this Condition) and to enter into related transactions or to enter into Transactions (as defined in the Trust Deed). Such further bonds, notes, obligations and Transactions (other than those obligations that are not, in the opinion of the Trustee, material in the context thereof and in respect of which another party has made arrangements to discharge the Issuer from claims related thereto) and, save as provided in Condition 3(a), must be secured (save in the case of such further bonds or notes forming a single series with the Notes) on assets of the Issuer other than the assets on which any other obligations of the Issuer are secured and the Issuer's share capital and on terms in substantially the form contained in these Conditions, which provide for the extinction of all claims in respect of such bonds, notes and obligations after application of the proceeds of enforcement of the security over the assets on which such further bonds, notes and obligations are secured (or arrangements have been entered into that, to the satisfaction of the Trustee, have a like result).

(b) Fungible issues

The Issuer may issue from time to time (without the consent of the Noteholders or the Couponholders (if any), but provided that the Trustee is satisfied that the restrictions contained in this Condition will be complied with) further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest thereon) and that are consolidated and form a single series with the Notes; provided that (unless otherwise approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders), (i) the Issuer provides additional security for such new notes that, if the Mortgaged Property includes Securities, comprises securities that are fungible with, and have the same proportionate composition as, the Securities and that has an aggregate principal amount at least equal to the principal amount of the existing Securities multiplied by a fraction, the numerator of which is the aggregate principal amount of such new notes and the denominator of which is the aggregate principal amount of the existing Notes, and (ii) the Issuer enters into an additional or supplemental swap or option transaction varying the terms of the Swap Agreement to take account of the new notes on terms no less favourable than the Swap Agreement, the Swap Agreement so varied forming part of the Mortgaged Property. Upon issue of such further notes, the Notes and such further notes shall form a single series and be secured on the Mortgaged Property in respect of the Notes including such additional Securities (if any). Such further notes shall be constituted and secured by a further supplemental trust deed.

(c) *Indebtedness*

Save as provided above, so long as any of the Notes remains outstanding, the Issuer shall not incur, without the prior written consent of the Trustee, any other indebtedness for borrowed moneys or engage in any other business (other than acquiring and holding the Securities, issuing further bonds or notes, as provided for in this Condition, entering into Transactions, entering into the Swap Agreement, the Custody Agreement and the Supplemental Trust Deed relating to such further bonds or notes, performing its obligations and enforcing its rights under the foregoing and performing any act incidental to or necessary in connection with the foregoing) and shall not have any subsidiaries (except in connection with the substitution of the Issuer as principal obligor under the Notes).

5. **Interest**

(a) *Interest Rate and accrual of interest*

Notes (other than Notes the Interest Rate of which is specified in the Supplemental Trust Deed to be Zero Coupon) shall bear interest on the outstanding principal amount thereof from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate. Interest is payable in arrear on each date specified in the Supplemental Trust Deed as an Interest Payment Date. Interest shall cease to accrue on each Note on the Interest Cessation Date (as defined below). Notwithstanding the foregoing, if upon due presentation, payment of principal is improperly withheld or refused, interest shall accrue on that part of the principal so withheld or refused (after as well as before judgment) at the Interest Rate in the manner provided in this Condition to the Relevant Date (as defined below).

(b) *Business Day Conventions*

If any Interest Payment Date that is specified in the Supplemental Trust Deed to be subject to adjustment in accordance with the Following Business Day Convention, the Modified Following Business Day Convention or the Preceding Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day that is a Business Day (as defined below); (ii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day that 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 (iii) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If the Supplemental Trust Deed specifies that the FRN Business Day Convention is applicable, each Interest Payment Date shall be the day falling in the relevant Interest Payment Month (as defined below) that numerically corresponds to the preceding Interest Payment Date (or, if none, the Issue Date) provided that (i), if any Interest Payment Date so determined would fall on a day that is not a Business Day, it shall be postponed to the next day that is a Business Day unless it would thereby fall into the following calendar month in which event it shall be brought forward to the immediately preceding Business Day; and (ii), if any Interest Payment Date falls on the final Business Day in any Interest Payment Month then, notwithstanding the foregoing, each following Interest Payment Date shall be the last Business Day falling in the relevant Interest Payment Month. For the purposes hereof, "**Interest Payment Month**" means each of the months that are specified as such in the Supplemental Trust Deed.

(c) *Interest Rate on Floating Rate Notes*

If the Supplemental Trust Deed specifies that the Notes are Floating Rate Notes, the Interest Rate in respect of each Interest Period shall be a rate per annum equal to the ISDA Rate

or the LIBOR Rate (each as defined below), as specified in the Supplemental Trust Deed, for that Interest Period, plus or minus (as specified in the Supplemental Trust Deed) the number of basis or percentage points (if any) specified as the Margin in the Supplemental Trust Deed.

"ISDA Rate" means, in respect of any Interest Period, the rate per annum that, in the determination of the Agent Bank, would be the Floating Rate payable under an interest rate exchange agreement incorporating the ISDA Definitions (as defined below) where the Floating Rate Payer is the Issuer, the Calculation Agent is the Agent Bank, the Floating Rate Payer Currency Amount is the Denomination of the Notes (or lower or lowest Denomination if more than one), the Floating Rate Payer Payment Dates are the Interest Payment Dates, the Spread is nought and each of the Floating Rate Option, Designated Maturity and Reset Dates are as specified in the Supplemental Trust Deed. **"ISDA Definitions"** means the 2006 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc., as amended, supplemented or restated from time to time up to the Issue Date.

"LIBOR Rate" means, in respect of any Interest Period: (i) the rate (the **"Screen Rate"**) which appears as of the Relevant Time (as defined below) on the Interest Determination Date (as defined below) on the Screen Page (as defined below) for deposits in the currency of the Notes for a period equal to the LIBOR Period (as defined below); or (ii) if on the Interest Determination Date the Screen Rate does not appear as aforesaid, the arithmetic mean (rounded, if necessary, to the nearest 0.00001 per cent., 0.000005 being rounded upwards) of the rates supplied to the Agent Bank by each of the Reference Banks (as defined below) as such Reference Bank's offered quotation as of the Relevant Time on the Interest Determination Date for deposits in the currency of the Notes to prime banks in the London inter-bank market for a period equal to the LIBOR Period commencing on the first day of the Interest Period; or (iii) if on the Interest Determination Date the Screen Rate does not appear and fewer than two Reference Banks provide quotations as aforesaid, the arithmetic mean (rounded, if necessary, to the nearest 0.00001 per cent., 0.000005 being rounded upwards) of the rates quoted by major banks in the principal financial centre of the currency of the Notes selected by the Issuer as of 11.00 am., local time, on the first day of the Interest Period for loans in the currency of the Notes to leading European banks for a period equal to the LIBOR Period commencing on the first day of the Interest Period.

For the purposes of these Conditions: **"Banking Day"** means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city; **"Interest Determination Date"** means, in respect of each Interest Period, the second Banking Day in London prior to the first day of such Interest Period (or, in the case of Notes denominated in Pounds Sterling, the first day of such Interest Period); **"LIBOR Period"** means the Interest Period or such other period as may be specified in the Supplemental Trust Deed; **"Reference Banks"** means the principal London office of each of four major banks in the London inter-bank market selected by the Agent Bank; **"Relevant Time"** means 11.00 a.m., London time, or such other time as may be specified in the Supplemental Trust Deed; and **"Screen Page"** means page LIBOR01, as specified in the Supplemental Trust Deed, of the Reuters service (or such other page as may replace that page on that service or on such other service as may be nominated by the British Bankers Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates) (**"Reuters"**) or such other page of that service or any other service as may be specified in the Supplemental Trust Deed.

(d) *Minimum Interest Rate and Maximum Interest Rate*

If a Maximum Interest Rate is specified in the Supplemental Trust Deed, then the Interest Rate shall not exceed such Maximum Interest Rate and if a Minimum Interest Rate is so specified, then the Interest Rate shall not be less than such Minimum Interest Rate.

(e) *Calculations*

If not already specified on the relevant Coupon or elsewhere in these Conditions, the amount of interest payable in respect of any Note for any period (each, an “**Interest Amount**”) shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction as defined below) and rounding, if necessary, the resultant figure to the nearest minimum unit of the relevant currency (half of such unit being rounded upwards).

(f) *Determination and publication of Interest Rate, Interest Amounts and Redemption Amount*

If the Notes are Floating Rate Notes, Variable Rate Notes or Notes having a Redemption Amount or an Optional Redemption Amount that may be an amount other than the principal amount of such Notes, the Issuer shall procure that the Agent Bank or the Calculation Agent, as the case may be, notifies the Trustee, the Principal Paying Agent and the Issuer of each Notifiable Determination (as defined below) as soon as practicable after such Notifiable Determination has fallen due to be made (and, in the case of the notification of an Interest Rate that is determinable on or before the first day of the Interest Period to which it relates, not later than the first day of such Interest Period). In addition, the Issuer shall procure that the Principal Paying Agent, upon receipt of a Notifiable Determination, causes such Notifiable Determination to be notified to each of the Paying Agents, the Noteholders (in accordance with these Conditions) and, if so required by the rules of any stock exchange on which the Notes are listed, such stock exchange. The determination of the Interest Rate, the Interest Amounts and the Redemption Amount or the Optional Redemption Amount, as the case may be, by the Agent Bank or the Calculation Agent, as the case may be, shall be final and binding upon all parties (in the absence of manifest error). For the purposes hereof, “**Notifiable Determination**” means a determination that is required to be made by the Agent Bank or the Calculation Agent, as the case may be, and notified to, *inter alios*, the Trustee, the Principal Paying Agent and the Issuer, including, in the case of Floating Rate Notes and Variable Rate Notes, the determination of an Interest Rate, in the case of Notes having a Redemption Amount or an Optional Redemption Amount that may be an amount other than the principal amount of such Notes, the determination of the Redemption Amount or the Optional Redemption Amount, as the case may be, and such other determination specified as such in the Supplemental Trust Deed.

(g) *Calculation Agent and Agent Bank*

For so long as a Notifiable Determination is required to be made in respect of the Notes, the Issuer shall procure that there is at all times an Agent Bank or a Calculation Agent appointed to make and to notify such Notifiable Determination. If the Agent Bank or the Calculation Agent, as the case may be, is unable or unwilling to act as such or fails in its duties to make or to notify a Notifiable Determination, the Issuer shall appoint the London office of a leading bank engaged in the London inter-bank market (or other relevant market) to act as such in its place.

(h) *Definitions*

As used in these Conditions:

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) designated with respect to Business Days in the Supplemental Trust Deed as the Relevant Business Day Centre or a TARGET 2 Business Day (if “TARGET”, “TARGET2”, “TARGET Settlement Day” or “TARGET Business Day” or “TARGET 2 Business Day” is designated with respect to Business Days in the Supplemental Trust Deed) and/or such other days as are designated with respect to Business Days in the Supplemental Trust Deed;

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any Interest Period:

- (i) if Actual/366 is specified in the Supplemental Trust Deed 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 Supplemental Trust Deed, the actual number of days in the Interest Period divided by 365;
- (iii) if Actual/360 is specified in the Supplemental Trust Deed, the actual number of days in the Interest Period divided by 360;
- (iv) if Bond Basis is specified in the Supplemental Trust Deed, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (v) if Eurobond Basis is specified in the Supplemental Trust Deed, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date (as defined below) is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

“Interest” shall be deemed to include all amounts payable pursuant to this Condition or any amendment or supplement thereto;

“Interest Cessation Date” means the due date for redemption of the Notes or such other date which is either specified in, or determined in accordance with the provisions of, the Supplemental Trust Deed;

“Interest Commencement Date” means the Issue Date or such other date as may be specified as the Interest Commencement Date in the Supplemental Trust Deed;

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

“Interest Rate” means the rate of interest payable from time to time in respect of the Notes and which is either specified in, or calculated in accordance with the provisions of, the Supplemental Trust Deed;

“principal” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to these Conditions or any amendment or supplement thereto; and

“Relevant Date” means, in respect of any Note or Coupon, the date on which payment in respect thereof first becomes due or, if any amount of the money payable is improperly withheld or refused, the earlier of (i) the date on which payment in full of the amount outstanding is made and (ii) the date on which notice is duly given to the Noteholders in accordance with these Conditions that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

(i) *Zero Coupon Notes*

As from the Maturity Date, the Interest Rate on any overdue principal of a Note the Interest Rate of which is specified in the Supplemental Trust Deed to be Zero Coupon shall be the rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the Supplemental Trust Deed.

(j) *Variable Rate Notes*

If the Supplemental Trust Deed specifies that the Notes are Variable Rate Notes, the Interest Rate in respect of the Notes shall be determined in the manner specified in the Supplemental Trust Deed.

6. **Redemption, Exchange and Purchase**

(a) *Final redemption*

The Issuer shall redeem each Note on the Maturity Date at the Redemption Amount specified in, or, in the case of Variable Redemption Amount Notes, determined in accordance with the provisions of, the Supplemental Trust Deed (and, if none is specified, at par), unless such Note has been previously redeemed, exchanged or purchased and cancelled in accordance with these Conditions.

(b) *Redemption for taxation and other reasons*

(i) If the Issuer, on the occasion of the next payment due in respect of the Notes or Coupons (if any), would be required by law to withhold or account for tax, or to withhold or account for tax at a rate in excess of the rate at which it then withholds or accounts for tax, so that it would be unable to make payment of the full amount due, then the Issuer shall so inform the Trustee and shall use its best endeavours to change the place of residence of the Issuer for taxation purposes to, or to arrange the substitution as principal debtor of a company incorporated in, another jurisdiction approved by the Trustee in accordance with the provisions of the Trust Deed. If the Issuer satisfies the Trustee that it is unable to arrange such change or substitution before the next payment is due in respect of the Notes it shall convene a meeting of the Noteholders at which it shall propose an Extraordinary Resolution amending the Conditions to provide for payment net of withholding tax or for payment net of withholding tax at a rate in excess of the then current rate of withholding, as the case may be. If such Extraordinary Resolution is not passed at such meeting or (if the first meeting lacks a quorum) at any adjournment thereof, the Issuer shall forthwith give not more than 28 nor less than 7 days' notice to the Trustee and the Noteholders, and upon expiry of such notice the Issuer shall redeem all but not some only of the Notes at their Redemption Amount together with interest (if any) accrued to the date fixed for redemption unless the Trustee certifies to the Issuer that, in its absolute discretion, it considers that it is in the best interests of the Noteholders that the Notes not be so redeemed or an Extraordinary Resolution of the Noteholders otherwise directs.

(ii) If (x) the Swap Agreement is terminated in whole for any reason save for a Counterparty Optional Termination (as defined in the Swap Agreement); or (y) the Issuer satisfies the Trustee that the performance of its obligations under the Notes or that any arrangements made to hedge

its position under the Notes have or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; then the Issuer shall forthwith give not more than 28 nor less than 7 days' notice to the Noteholders and, upon expiry of such notice, shall redeem all but not some only of the Notes at their Redemption Amount together with interest (if any) accrued to the date fixed for redemption. Such notice (which shall be irrevocable) shall be given promptly upon the occurrence of either of the above events unless the Trustee certifies to the Issuer that, in its absolute discretion, it considers that it is in the best interests of the Noteholders that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders otherwise directs.

(iii) If the Issuer satisfies the Trustee that:

- (x) the Issuer would suffer any form of income tax in respect of the Securities (other than by withholding at source which was applicable at the date of issue) or transactions related to the Notes in an amount greater than or at a rate higher than that suffered by it as at the Issue Date; or
- (y) the Issuer or the Trustee would be subject to (xx) a tax charge (whether by direct assessment or by withholding at source) or other imposition of tax by or on behalf of any authority in the Netherlands having power to tax or (yy) any other change in circumstance, including a change in any applicable law, regulation, regulatory requirement or double taxation treaty or the interpretation or application thereof (other than a change that allows the Counterparty to terminate the Swap Agreement); and
- (z) in either case, such event would materially increase the cost to the Issuer of complying with its obligations under the Notes or the Trust Deed or would materially increase the operating or administrative expenses of the Issuer or otherwise would oblige the Issuer or the Trustee to make any payment on, or calculated by reference to, the amount of any sum received or receivable by the Trustee on behalf of the Issuer pursuant to the Trust Deed;

then the Issuer shall use its best endeavours to change the place of residence of the Issuer for taxation purposes or to arrange the substitution as principal debtor of a company incorporated in another jurisdiction approved by the Trustee in accordance with the provisions of the Trust Deed. If the Issuer is unable to arrange such change or substitution within 30 days of so satisfying the Trustee, it shall give notice thereof and of a Noteholders' meeting to Noteholders in accordance with Condition 14. Within a period of 60 days from the date of such notice, Noteholders may by Extraordinary Resolution require the Issuer to redeem all, but not some only, of the Notes then outstanding at their Redemption Amount, together with interest accrued to the date fixed for redemption.

An Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement shall be deemed to have been designated on the date of notification by the Issuer to the Trustee and the Noteholders of its intention to redeem the Notes or the date of the Extraordinary Resolution requiring the Issuer to redeem the Notes, as the case may be. The date fixed for the redemption of the Notes shall be the date upon which any amount calculated as being due in respect of such early termination pursuant to the terms of the Swap Agreement is payable. The Issuer shall notify such date to the Trustee and the Noteholders as soon as it has knowledge thereof.

(c) *Mandatory redemption*

If the Mortgaged Property includes Securities and there is a payment default in respect of any of the Securities or any of the Securities becomes repayable prior to its stated maturity, such Securities shall be “**Repayable Securities**” for the purposes of these Conditions, unless the Trustee otherwise agrees or the Notes are Credit-linked Notes and such payment constitutes (or may, with the lapse of time or exercise of an option, constitute) a Credit Event. The Issuer shall forthwith give not more than 28 nor less than 7 days’ notice to the Noteholders (which notice shall be irrevocable) and upon expiry of such notice shall redeem each Note in whole at its Redemption Amount or, as the case may be, in part on a *pro rata* basis at a Redemption Amount calculated by multiplying the outstanding principal amount of each Note by a fraction the numerator of which is the principal amount of the Repayable Securities and the denominator of which is the principal amount of the Securities that have not, immediately prior to the date of the giving of the notice, been the subject of any such notice. Failure to make any payment due in respect of a mandatory redemption under this paragraph part of the principal amount of the Notes or interest thereon or any termination payment under the Swap Agreement shall not constitute an Event of Default under these Conditions.

(d) *Redemption at the option of the Issuer*

If the Supplemental Trust Deed specifies that the Notes are Callable Notes, the Issuer may redeem all or some only of the Notes, as specified in the Supplemental Trust Deed, upon giving not less than 5 Business Days’ notice to Noteholders (which notice shall be irrevocable) within the period (the “**Option Notice Period**”) specified in the Supplemental Trust Deed. In such circumstances, the Issuer shall redeem all or some only of the Notes, as the case may be, on the date (the “**Optional Redemption Date**”) and at the amount (the “**Optional Redemption Amount**”) relating to such Notes, as specified in the Supplemental Trust Deed, together with interest accrued to the due date for redemption (if any). In the case of redemption of some only of the Notes, the Issuer shall select the Notes to be redeemed by lot and shall notify the Noteholders thereof, the dates for selection and notification, respectively, being as specified in the Supplemental Trust Deed.

(e) *Redemption at the option of Noteholders*

If the Supplemental Trust Deed specifies that the Notes are Puttable Notes, the holder of a Note may require the Issuer to redeem such Note upon presenting and surrendering such Note to the Principal Paying Agent together with a notification in writing (an “**Exercise Notice**”) of exercise of the option containing a certificate of non-U.S. beneficial ownership (in or substantially in the form set out in the Supplemental Trust Deed, copies of which are available at the specified office of each of the Paying Agents) on any Banking Day in London during the Option Notice Period specified in the Supplemental Trust Deed. In such circumstances, the Issuer shall redeem such Note on the Optional Redemption Date, which shall fall at least 5 Business Days following the date on which the relevant Exercise Notice was delivered, and at the Optional Redemption Amount relating to such Note, as specified in the Supplemental Trust Deed, together with interest accrued to the due date for redemption (if any). The Issuer shall procure that upon presentation and surrender of a Note pursuant to this paragraph the Principal Paying Agent shall issue to the holder thereof a receipt in respect of such Note. (The holder of a Note may present and surrender such Note (together with an Exercise Notice) to the Principal Paying Agent. In these circumstances, the Noteholder shall be deemed to have exercised his option on the Banking Day in London next following the date on which such presentation and surrender occurred.)

Accountholders at Euroclear and Clearstream, Luxembourg wishing to exercise a put option should refer to paragraph 3 of “Summary of provisions relating to the Notes in Bearer Form while represented by a Global Note” on page 33.

(f) *Exchange of Notes*

If the Supplemental Trust Deed specifies that the Notes are Exchangeable Notes, upon the occurrence of an event (the “**Exchange Event**”), as specified in the Supplemental Trust Deed, the Issuer shall deliver, or cause to be delivered, to the Clearance System (as defined below) for credit to the respective accounts of entitled Noteholders on the Settlement Date (as defined below) the Securities Entitlement (as defined below) relating to the Notes presented and surrendered in accordance with this Condition *in lieu* of redeeming the Notes. Notes presented and surrendered by a Noteholder shall be aggregated for the purpose of determining the aggregate Securities Entitlement of that Noteholder. If the aggregate Securities Entitlement of a Noteholder does not comprise a nominal amount of Securities equal to an integral multiple of the minimum denomination of the Securities, the Issuer may not deliver Securities in a nominal amount equal to a fraction of the minimum denomination of the Securities but shall account to each affected Noteholder for the net cash value (if any) of any such fraction, as determined by the Calculation Agent.

(g) *Presentation and surrender of Notes*

The Issuer shall not deliver, or cause to be delivered, the Securities Entitlement in respect of any Exchangeable Notes unless such Note has been presented and surrendered together with a notification in writing (a “**Delivery Notice**”) containing a certificate of non-U.S. beneficial ownership and specifying an account in the Clearance System for delivery of Securities (in or substantially in the form set out in the Supplemental Trust Deed, copies of which are available at the specified office of each of the Paying Agents) to the Principal Paying Agent on any Banking Day in London during the period (the “**Notice Delivery Period**”) specified in the Supplemental Trust Deed. (The holder of a Note may present and surrender such Note (together with a Delivery Notice) to the Principal Paying Agent. In these circumstances, the Noteholder shall be deemed to have presented and surrendered such Note (together with the Delivery Notice) on the Banking Day in London next following the date on which such presentation and surrender occurred). The Issuer shall procure that upon presentation and surrender of a Note pursuant to this paragraph the Paying Agent shall issue to the holder thereof a receipt in respect of such Note. The Notes cease to be outstanding on the first day on or after the Settlement Date upon which the Issuer makes the aggregate Securities Entitlement available for delivery in accordance with these Conditions.

Accountholders at Euroclear and Clearstream, Luxembourg wishing to deliver a Delivery Notice should refer to paragraph 3 of “Summary of provisions relating to the Notes in Bearer Form while represented by a Global Note” on page 33.

(h) *Settlement Disruption Events*

If there is a Settlement Disruption Event (as defined below) that prevents settlement on the Settlement Date (as defined below), then settlement shall be on the first succeeding day on which settlement can take place through the Clearance System, unless a Settlement Disruption Event prevents settlement on each day that the Clearance System is (or, but for the Settlement Disruption Event, would have been open for business during the period ending 30 calendar days after the original date on which, but for the Settlement Disruption Event, settlement would have occurred. If settlement does not occur during such 30 calendar day period, the Issuer shall use its best efforts to deliver the Securities comprising the aggregate Securities Entitlement promptly thereafter to a nominee selected by the Trustee.

(i) *Early Redemption of Zero Coupon Notes*

- (i) Upon the early redemption of any Note, the Interest Rate of which is specified in the Supplemental Trust Deed to be Zero Coupon, the Redemption Amount payable

in respect Note shall be the Amortised Face Amount (calculated as provided below) of such Note.

- (ii) Unless otherwise specified in the Supplemental Trust Deed the Amortised Face Amount of any such Note shall be the nominal amount of such Note discounted on an annual 30/360 Day Count Fraction basis at the Amortisation Yield specified in the Supplemental Trust Deed from (and including) the Maturity Date to (but excluding) the due date for such redemption.

(j) Credit-linked Notes

If the Supplemental Trust Deed specifies that the Notes are Credit-linked Notes, upon the occurrence of an event (the “**Credit Event**”), as specified in the Supplemental Trust Deed, the obligations of the Issuer to make further scheduled payments of principal and interest in respect of the Notes shall be extinguished and the entitlement of Noteholders in these circumstances shall be as specified in the Supplemental Trust Deed.

(k) Purchase

The Issuer may not purchase Notes otherwise than in connection with a Counterparty Optional Termination as provided in the Swap Agreement. The Issuer shall surrender to the Principal Paying Agent for cancellation any Notes that are purchased by it (together with all unmatured coupons relating thereto, if any).

(l) Cancellation

Notes that are redeemed shall be cancelled forthwith. Notes so redeemed, or purchased and cancelled (together with all unmatured Coupons relating thereto, if any) pursuant to paragraph (k) of this Condition, may not be reissued or sold.

(m) Definitions

As used in these Conditions:

“**Clearance System**” means each of Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) or, in either case, any successor thereto, or such other clearance system specified as the Clearance System for delivery of Securities in the Supplemental Trust Deed;

“**Securities Entitlement**” means, in respect of each Exchangeable Note, the nominal amount of Securities specified in the Supplemental Trust Deed to which a holder of such Note may be entitled upon the occurrence of an Exchange Event;

“**Settlement Date**” means the date specified in, or determined in accordance with the provisions of, the Supplemental Trust Deed or, if such date is not a day on which the Clearance System is open for business, the next following day that is; and

“**Settlement Disruption Event**” means an event beyond the control of the Issuer and the relevant noteholder as a result of which the Clearance System cannot clear transfers of the Securities comprising the Securities Entitlement of such Noteholder.

7. Payments

(a) *Payments on Notes*

Payments of principal and interest (if any) in respect of Notes shall be made against surrender or, in the case of a partial redemption, presentation for endorsement of the Notes or, as the case may be, the Coupons (if any) at the specified office of any Paying Agent by transfer to an account denominated in that currency (or, in the case of euro, an account to which euro may be transferred) with a bank in the principal financial centre of that currency (or in the case of euro) in the Eurozone, subject in all cases to any fiscal or other laws and regulations applicable thereto. In particular (i) in the case of Yen, the transfer shall be to a non-resident Yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan) and (ii) in the case of payments of interest, transfer is made to an account outside the United States.

A Note or Coupon may be presented for payment only on a day that is a Payment Business Day in the place of presentation (and, in the case of payment by transfer (other than of euro), in the Payment Financial Centre). However, a Note or Coupon may not be presented for payment anywhere before the first day that falls on or after the due date that is a Payment Business Day in London and each Relevant Business Day Centre (covered below). The holder of a Note or Coupon shall not be entitled to any further payment of any nature as a consequence of the fact that the due date for payment of any amount in respect of such Note or Coupon is not a Payment Business Day in the Payment Financial Centre or any particular place of payment or, in the case of payments in euro, is not a TARGET Business Day. For the purposes hereof, “**Payment Business Day**” means, in respect of any city, a day on which commercial banks and foreign exchange markets settle payments in that city in the relevant currency and, in the case of a payment in euro, a day which is a TARGET Business Day; “**Payment Financial Centre**” means the principal financial centre of the currency in which payment is to be made; “**TARGET Business Day**” means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto) is open for the settlement of payments in Euro; and “**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community.

(b) *Unmatured Coupons*

Unless otherwise provided in the Supplemental Trust Deed in the case of Floating Rate Notes, Variable Rate Notes, Callable Notes, Puttable Notes and Exchangeable Notes, upon the due date for redemption or exchange of any Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect thereof. Where any Note is presented for redemption without all unmaturing Coupons relating thereto, redemption shall be made only against the provision of such indemnity as the Issuer may require.

In all other cases, each Note should be presented for redemption together with all unmaturing Coupons relating to it, failing which the amount of any such missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which that part of the Redemption Amount or Optional Redemption Amount, as the case may be, so paid bears to the Redemption Amount or Optional Redemption Amount, as the case may be, due) shall be deducted from the sum due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect having been given to the Noteholders for the relevant payment of Redemption Amount or Optional Redemption Amount, as the case may be.

(c) *Appointment of agents*

The specified offices of the Principal Paying Agent and the other Paying Agents are listed below. The Issuer reserves the right, with the approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Issuer reserves the right, with the approval of the Principal Paying Agent and the Trustee, to appoint further paying agents or to vary or terminate the appointment of any Paying Agent and to approve any change in the specified office of any Paying Agent, provided that there shall at all times be a Principal Paying Agent in a major European city. Any variation, termination, appointment, removal or resignation shall take effect (other than in the case of insolvency, when it shall be of immediate effect) only after not more than 45 and less than 30 days' notice thereof shall have been given to the Noteholders in accordance with these Conditions.

8. **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly become, due and repayable at their Redemption Amount together with accrued interest (if any) and thereupon an Early Termination Date in respect of the Swap Agreement shall be deemed to have been designated on such date of notification to the Issuer, in any of the following events ("**Events of Default**"):

- (a) the Issuer defaults in the payment of the Redemption Amount or the Optional Redemption Amount, as the case may be, or defaults for a period of 14 days or more in the payment of any sum other than the Redemption Amount or the Optional Redemption Amount, as the case may be, due in respect of the Notes or any of them; or
- (b) the Issuer defaults in making the Securities Entitlement due in respect of the Notes or any of them available for delivery for a period of 7 days or more; or
- (c) the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and such failure is in the opinion of the Trustee incapable of remedy or if such failure is in the opinion of the Trustee capable of remedy and is not in the opinion of the Trustee remedied within a period of 30 days (or such longer period as the Trustee may permit) immediately following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) an order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer or for the appointment of a liquidator or receiver of the issuer of all, or substantially all of its assets, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or
- (e) the Issuer grants an assignment for the benefit of, or enters into any general assignment ("*akkoord*"), with its creditors; or
- (f) a decree or order by a court having jurisdiction is entered that declares the Issuer bankrupt ("*failliet*"), or approves a petition seeking a moratorium of payments ("*surséance van betaling*"), reorganisation, arrangement, adjustment or composition of or in respect of the Issuer under any applicable law, or adjudges that the Issuer is in a situation requiring special measures ("*bijzondere voorzieningen*") in the interests of all creditors as referred to in Chapter 3.5.5.1 of the Act on the Financial Supervision ("*Wet op het financieel toezicht*") (or any

amendment, modification or re-enactment thereof) or appoints a receiver, liquidator, assignee or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, or orders the winding up or liquidation of its affairs or the competent Chamber of Commerce takes any action to dissolve the Issuer pursuant to article 2:19a of the Dutch Civil Code (*Burgerlijk Wetboek*) (or any amendment, modification or re-enactment thereof); or

- (g) a voluntary case or proceeding is initiated by the Issuer under any applicable insolvency law, including presentation to the court of an application for bankruptcy (“*faillissement*”), for an administration, liquidation or dissolution order, or seeking the appointment of a receiver, administrator, liquidator or other similar official in relation to the Issuer or to the whole or any substantial part of the undertaking or assets of the Issuer, or the competent Chamber of Commerce takes any action to dissolve the Issuer pursuant to the Trade Registry Act (or any amendment, modification or re-enactment thereof), or a receiver, administrator, liquidator or other similar official is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or an encumbrancer takes possession or execution or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer; or
- (h) any event occurs with respect to the Issuer which, under the applicable laws of any jurisdiction, has an analogous effect of any of the events specified in (f) or (g) above.

9. Enforcement and Extinguishing of Liabilities

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders and the Couponholders (if any) and no such holder is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period. After the Trustee has realised the Security, or part thereof, as the case may be, and distributed the net proceeds in accordance with these Conditions, none of the Trustee, the Noteholders or the Couponholders (if any) may take any further steps against the Issuer to recover any sum due in respect of the Notes and the Coupons (if any) but still unpaid and any liability of the Issuer in respect thereof shall be extinguished.

10. Taxation

All payments in respect of the Notes and the Coupons (if any) shall be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of any authority in the Netherlands (or, in the case of the substitution of the Issuer as principal debtor by a company incorporated in another jurisdiction or a change in the tax residence of the Issuer approved by the Trustee in accordance with the provisions of the Trust Deed, in such other jurisdiction) having power to tax, unless the Issuer or any Paying Agent is required by applicable law to make any such payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall, subject to Condition 6(b), make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

11. Prescription

Notes and Coupons (if any) shall become void unless presented for payment within periods of ten years and five years respectively from the due date for payment in respect thereof.

12. Agents

In acting under the Agency Agreement, the Agent Bank, the Calculation Agent, the Authentication Agent, the Principal Paying Agent and the Paying Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust to or with the Noteholders or the Couponholders (if any), unless an Event of Default occurs or may with the lapse of time occur, when the Agents shall, if so requested by the Trustee, act as agents of the Trustee. The Issuer has agreed in the Trust Deed to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement may be amended by the parties thereto with the approval of the Trustee if, in the opinion of the Trustee, the amendment will not materially and adversely affect the interests of the Noteholders.

13. Replacement of Notes and Coupons

If a Note or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Principal Paying Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, indemnity and security as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

14. Notices

All notices to Noteholders shall be published in a leading newspaper of general circulation in a daily newspaper in the English language with general circulation in Europe and, if and for so long as the Notes are listed on any relevant stock exchange and the rules of such stock exchange or competent authority so require, in any such other newspaper which is so required by the rules of that stock exchange or competent authority). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders (if any) shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

15. General

(a) *Meetings of Noteholders; modification and waiver*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the terms and conditions of the Notes or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more persons, holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on or to vary the method of calculating the rate of interest or to reduce the minimum or maximum rate of interest on the Notes or to vary the method of calculating any amount payable on redemption of the Notes; (iii) to change the currency of payment for the Notes; (iv) to modify the Events of Default or the provisions concerning security for the Notes; (v) to modify the provisions relating to the Mortgaged Property; or

(vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum 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 Noteholders shall be binding on all Noteholders, whether or not they were present at such meeting, and on the Couponholders (if any).

The Trustee may, without the consent of the Noteholders or Couponholders (if any), if in its opinion the interests of the Noteholders will not be materially prejudiced thereby, determine that an event that would otherwise be an Event of Default shall not be treated as such. The Trustee may agree, without the consent of the Noteholders or Couponholders (if any), to (i) any modification of the Trust Deed of a formal, minor or technical nature or to correct a manifest error, and (ii) any modification (except as aforesaid), waiver or authorisation (on such terms as seem expedient to it) of any breach or proposed breach of any of the provisions of the Trust Deed that, in any such case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders. Any such determination, modification, authorisation or waiver shall be binding on the Noteholders and Couponholders (if any) and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter.

The Trust Deed provides that (a) meetings of Noteholders of each separate Series normally will be held separately (although the Trustee may from time to time determine that meetings of Noteholders of separate Series may be held together); (b) a resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Series concerned; (c) a resolution that in the opinion of the Trustee affects the Noteholders of more than one Series but does not give or may not give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed if passed at a single meeting of the Noteholders of the relevant Series, provided that for the purposes of determining the votes that a Noteholder is entitled to cast, each Noteholder shall have one vote in respect of each U.S.\$1,000 principal amount of Notes held, converted, if such Notes are not denominated in U.S. dollars, at prevailing exchange rates; and (d) a resolution that in the opinion of the Trustee affects the Noteholders of more than one Series and gives or may give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed only if it is duly passed at separate meetings of the Noteholders of the relevant Series. As used herein, “**Series**” means a series of notes or other securities issued by the Issuer constituted by a trust deed supplemental to the Principal Trust Deed.

(b) Action in relation to the Mortgaged Property

Until the Security becomes enforceable, if permitted by the Supplemental Trust Deed or otherwise with the sanction of an Extraordinary Resolution, the approval of the Trustee or the consent of the Counterparty, the Issuer (a) may take such action in relation to Mortgaged Property as it may think expedient and (b) exercise the rights incidental to the ownership of the Mortgaged Property and, in particular (but without limitation and without responsibility for their exercise) any voting rights in respect of such property and all rights to enforce it.

(c) Substitution

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require including the transfer of the Security, but without the consent of the Noteholders or Couponholders (if any), the Trustee may agree to a change in the place of residence of the Issuer for taxation purposes or to the substitution of any other company (incorporated in any jurisdiction) in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons (if

any). In the case of such a change or substitution the Trustee may agree, without the consent of the Noteholders or Couponholders (if any), to a change of the law governing the Notes, the Coupons (if any) and the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Noteholders' interests

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) to the extent that the Trustee is required to have regard to the interests of the Noteholders it shall have regard to the interests of the Noteholders as a class. In particular, the Trustee shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders (if any) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder (if any) be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any exercise upon individual Noteholders or Couponholders (if any).

16. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate is entitled to acquire, hold or dispose of any Note, Coupon or other security (or any interest therein) of the Issuer or any other person and, *inter alia*, may enter into or be interested in any contract or transaction with any such person with the same rights as it would have if it were not acting as Trustee and need not account for any profit resulting from. The Trustee is exempted from any liability with respect to any loss or theft or reduction in value of the Securities (if any), from any obligation to insure or to monitor insurance arrangements for the Securities (if in physical form) and from any claim arising from the fact that the Securities (if in physical form) will be held in safe custody by the Custodian or other custodian selected by the Trustee. The Trustee shall have no responsibility for the validity, value, sufficiency or enforceability of the Security, nor is it under any duty to monitor the performance by the Custodian of its obligations under the Custody Agreement (if any).

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law

The Notes, the Coupons (if any), the Swap Agreement, the Trust Deed and the Agency Agreement and any non-contractual obligations and other matters arising from or in connection therewith shall be governed by, and construed in accordance with, English law. The Issuer has submitted to the jurisdiction of the English courts for all purposes in connection with the Notes and the Trust Deed and in relation thereto, the Issuer shall appoint Law Debenture Corporate Services Limited as its agent for receipt of process and has agreed that in the event that such process agent is no longer able to act as such or no longer has an address in England, it will appoint a substitute process agent acceptable to the Trustee.

PRINCIPAL PAYING AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN BEARER FORM WHILE REPRESENTED BY A GLOBAL NOTE

Each Global Note will be deposited with a common depository for credit to the accounts of subscribers at Clearstream, Luxembourg and Euroclear or another clearance system or, alternatively, held by a single holder outside of any clearance system, as specified in the applicable Issue Memorandum. Each Global Note and the Trust Deed will contain provisions relating to the Notes which apply, and in some cases modify, the terms and conditions of the Notes while the Notes are represented by such Global Note substantially (unless otherwise stated in the applicable Issue Memorandum) to the following effect.

1. Payments

No payment will be made on a Temporary Global Note unless exchange for an interest in the relevant Global Note is improperly withheld or refused. Payments of principal and interest (if any) and any other amount falling due from time to time in respect of Notes represented by a Permanent Global Note will be made against presentation for endorsement or, if no further payment falls to be made in respect of the Notes, surrender of that Permanent Global Note, to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Permanent Global Note by the Principal Paying Agent, which endorsement will be *prima facie* evidence that such payment has been made.

2. Notices

So long as all Notes of any Series are represented by a Global Note and such Global Note is held on behalf of a clearance system, notices to holders of such Notes may be given by delivery of the relevant notice to that clearance system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, except that, so long as such Notes are listed on any relevant stock exchange and the rules of such stock exchange or competent authority so require, notices shall also be published in any newspaper which is so required by the rules of that stock exchange or competent authority.

3. Presentation and surrender of Notes

If the Notes represented by the Global Note are Exchangeable Notes or Puttable Notes, the holder of the Global Note will present the Global Note to or to the order of the Principal Paying Agent in order to effect presentation and surrender of the Notes represented by the Global Note for the purposes of the Conditions. The date on which and the principal amount of the Notes in respect of which the Global Note was presented will be endorsed on the appropriate schedule to the Global Note. On the Settlement Date, in the case of Exchangeable Notes, and on the Optional Redemption Date, in the case of Puttable Notes, the holder of the Global Note will present the Global Note to or to the order of the Principal Paying Agent again and the reduction in the principal amount of the Notes outstanding will be endorsed in the appropriate schedule.

Accountholders at Euroclear and Clearstream, Luxembourg wishing to require the holder of the Global Note to present the Global Note in accordance with the previous paragraph should note that they will be required (i) to give an irrevocable instruction to Euroclear or Clearstream, Luxembourg, as the case may be, to such effect in the form prescribed by the relevant clearance system and in accordance with the rules and procedures, including any deadline prescribed thereby, of the relevant clearance system on the Clearance System Business Date prior to the date on which presentation is to take place and (ii) to provide the relevant clearance system with a certificate as to non-U.S. beneficial ownership.

4. **Prescription**

Claims against the Issuer in respect of principal of and interest (if any) on the Notes while represented by a Permanent Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the due date for payment.

5. **Meetings**

The holder of a Permanent Global Note will be treated as being two persons for the purpose of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each Note for which such Permanent Global Note may be exchanged (or each Note of the smaller or smallest denomination where such Permanent Global Note may be exchanged for Notes of more than one denomination).

6. **Exchange**

Each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note or, if so provided in a Temporary Global Note, for Definitive Notes after the date falling 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership in the form set out in such Temporary Global Note. So long as a Permanent Global Note is held on behalf of Clearstream, Luxembourg or Euroclear or any other clearance system, the Issuer will, on the written request of the holder, issue Definitive Notes in exchange in whole or, if permitted by Euroclear and Clearstream, Luxembourg, in part for such Permanent Global Note against presentation and surrender of such Permanent Global Note at the specified office of the Principal Paying Agent if either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and the Issuer has failed to procure that the Notes are held in an alternative clearance system (the “**Alternative Clearance System**”) acceptable to, if and for so long as the Notes are listed on the Irish Stock Exchange, such stock exchange, by the close of business in London on the final day of such period of 14 days. In addition, each Permanent Global Note is exchangeable in whole or, if permitted by Clearstream, Luxembourg and Euroclear, in part for Definitive Notes by the Issuer giving notice to the Trustee, the Principal Paying Agent and the holders of Notes of its intention to exchange a Permanent Global Note for Definitive Notes if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of the Netherlands (or, in the case of the substitution of the Issuer as principal debtor by a company incorporated in another jurisdiction or a change in the tax residence of the Issuer, in such other jurisdiction) which would not be suffered were the Notes in definitive form (and a certificate to such effect signed by a director of the Issuer is delivered to the Principal Paying Agent for display to the Noteholders). In the case of an exchange pursuant to a written request by the holder, Definitive Notes shall be issued on the Exchange Date.

On or after the Exchange Date the holder of a Permanent Global Note may surrender such Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for such Permanent Global Note, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons (if any) in respect of interest that has not already been paid on that Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Part A of Schedule 2 to the Principal Trust Deed. On exchange of a Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

“**Exchange Date**” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located.

7. Trustee's Powers

In considering the interests of Noteholders while a Permanent Global Note is held on behalf of a clearance system, the Trustee may have regard to any information provided to it by such clearance system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Permanent Global Note and may consider such interests as if such accountholders were the holder of such Permanent Global Note.

DESCRIPTION OF THE ISSUE MEMORANDUM

The Issue Memorandum relating to each Series will contain, *inter alia*, a description of the terms and conditions of the Notes of that Series insofar as such terms and conditions vary or supplement the terms and conditions set out in this Programme Memorandum. In particular, it will contain information under the following headings: (i) Series No.; (ii) Principal Amount; (iii) Currency; (iv) Denomination(s); (v) Issue Date; (vi) Interest Basis; (vii) Interest Commencement Date; (viii) Interest Payment Dates; (ix) Day Count Fraction; (x) Business Day Convention; (xi) Redemption Amount; (xii) Relevant Business Day Centre; (xiii) Securities (if any); and (xiv) additional Security. In respect of Zero Coupon Notes, it will contain the Amortisation Yield. In respect of Fixed Rate Notes, it will contain the Interest Rate. In respect of Floating Rate Notes, it will contain: (i) the Margin; (ii) the applicable rate (ISDA Rate, LIBOR Rate or other); (iii) Notifiable Determinations; and (iv) the Minimum Interest Rate (if any) and the Maximum Interest Rate (if any). If the ISDA Rate is the applicable rate, it will contain: (i) Floating Rate Option; (ii) Designated Maturity; and (iii) Reset Dates. If the LIBOR Rate is the applicable rate it will contain: (i) Screen Page; (ii) Relevant Time; (iii) Interest Determination Date; and (iv) LIBOR Period. In respect of Variable Rate Notes, it will contain such other provisions as are necessary to determine the rate of interest and, in respect of Variable Redemption Amount Notes, it will contain such other provisions as are necessary to determine the Redemption Amount. In respect of Callable and Puttable Notes, it will contain: (i) the Option Notice Period; (ii) the Optional Redemption Date; and (iii) the Optional Redemption Amount. In respect of Exchangeable Notes, it will contain: (i) the Exchange Event; (ii) the Clearance System; (iii) the Settlement Date; and (iv) the Securities Entitlement. In respect of Credit-linked Notes, it will contain the Credit Events and the entitlement (if any) of the Noteholders upon the occurrence of a Credit Event.

Furthermore, each Issue Memorandum will state: (i) whether the Notes to which it relates are issued in bearer or registered form; (ii) whether application has been made to list the Notes to which it relates on any stock exchange (and, if so, the stock exchange to which such application has been made); (iii) whether the issue of such Notes is subject to the C Rules or the D Rules and, correspondingly, whether such Notes, on issue, will be represented by a Temporary Global Note or a Permanent Global Note; (iv) whether the Notes to which it relates have been accepted for clearance through Euroclear, Clearstream, Luxembourg or any other clearance system; (v) the Common Code (if any) and the International Securities Identification Number that has been allocated to the Notes to which it relates; and (vi) the date on which the resolution authorising the issue of the Notes was passed by the Board of Directors of the Issuer.

Finally, each Issue Memorandum will also contain a description of: (i) the associated swap or option transaction; (ii) the Counterparty; (iii) the nature of the security interest over the assets securing that Series; (iv) the Securities (if any); (v) the Issuer of the Securities (if any); (vi) the order in which the proceeds of enforcement of the Securities will be applied, if other than in the order set out in the Principal Trust Deed; and (vii) as necessary, a revised description of the Issuer.

DESCRIPTION OF THE SWAP AGREEMENT

Introduction

The Issuer and Credit Suisse International have entered into a swap agreement dated as of 4 December 1997 consisting of an ISDA Master Agreement and the Schedule thereto (as the same may be amended, supplemented or restated from time to time, the “**Master Agreement**”). In connection with each Series of Notes, the Counterparty will issue a confirmation confirming the terms of the swap or option transaction relating to such Series (in relation to such Series, the “**Confirmation**” and, together with the Master Agreement, the “**Swap Agreement**”). The following discussion of certain provisions of the Swap Agreement relating to each Series does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Master Agreement and the Confirmation relating to such Series. The Master Agreement and each Confirmation form a single agreement in respect of the swap or option transaction to which such Confirmation relates.

References to a “party” or the “parties” are to one or both of the Issuer and/or the Counterparty. Save as described under “Taxation” below, neither the Issuer nor the Counterparty is permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement (except for the assignment by way of security by the Issuer in favour of the Trustee under the Trust Deed and the assignment in favour of the Principal Paying Agent as described under “Terms and Conditions of the Notes in Bearer Form – Security”).

Types of transactions

The following discussion of certain provisions of the Swap Agreement (in particular, under “Payments under the Swap Agreement” and “Early Termination”) makes a number of assumptions as to the type of transaction that the Issuer will enter into with the Counterparty in relation to any Series of Notes. In particular, it is assumed that the transaction will be an interest rate and cross-currency swap, with an initial and final exchange of capital amounts, and that the Issuer will fund its obligations in respect of the Swap Agreement by purchasing Securities. This may not be the case. For example, the Issuer may elect not to purchase Securities but to use the cash flows from the Counterparty under the swap transaction directly to fund its obligations in respect of the Notes. In addition, the Issuer may sell to the Counterparty an option relating to the Securities. Furthermore, the Confirmation relating to a Series of Notes may contemplate a number of ancillary transactions relating to the Securities, including the delivery of Securities to the Counterparty. The Issue Memorandum relating to a Series of Notes will describe any differences between the terms of the Confirmation relating to that Series and the description thereof that follows.

Payments under the Swap Agreement

Payment obligations

Under the Swap Agreement, the Issuer initially will pay to the Counterparty a sum equal to and in the currency of the net proceeds of the Notes and the Counterparty will deliver to the Issuer the Securities.

Thereafter, the Issuer will pay to the Counterparty sums equal to and in the currency of the interest receivable on the Securities and the Counterparty will pay to the Issuer sums at least equal to and in the currency of the interest payable on the Notes.

If the issuer of the Securities fails to make a payment on the Securities with the result that the Issuer is unable to make any payment due to be made by it to the Counterparty under the Swap Agreement, the Counterparty is not obliged (even in circumstances where the Swap

Agreement is not terminated as described below) to make its corresponding payment or any future scheduled payment due to be made by it to the Issuer under the Swap Agreement.

A payment obligation of the Issuer under the Swap Agreement may be satisfied by payment by the Custodian on behalf of the Issuer to, or to the order of, the Counterparty of the sum due from the Issuer under the Swap Agreement.

Pursuant to the Custody Agreement relating to a Series, and in satisfaction of the Issuer's obligation to make a payment to the Counterparty under the Swap Agreement, the Custodian may pay to, or to the order of, the Counterparty an amount equal to the amount that the Issuer expected, as of the date of the applicable Confirmation, the Custodian to receive, pursuant to the Custody Agreement, from the Issuer of the Securities, on the due date for receipt (the "**Due Date**"). If, having made such payment to the Counterparty on the Due Date, the Custodian has not received from the issuer of the Securities the expected amount and so notifies the Counterparty within the agreed period, the Counterparty will repay to the Custodian the whole amount received from the Custodian or a *pro rata* amount, as the case may be, together with interest thereon at the Custodian's cost of funds.

In such event the Issuer shall be deemed not to have satisfied its obligation to make the due payment to the Counterparty under the Swap Agreement, and the Counterparty shall be entitled to terminate the Swap Agreement. In addition, the Counterparty will be entitled to recover from the Issuer any interest paid by it to the Custodian, as described above.

A payment obligation of the Counterparty under the Swap Agreement may be satisfied by payment by the Counterparty of the sum due from it under the Swap Agreement to the Principal Paying Agent on behalf of the Issuer. If the Counterparty gives an undertaking to the Issuer in the Swap Agreement to make a payment to the Principal Paying Agent, the Issuer may assign the benefit of that undertaking to the Principal Paying Agent.

Timing of payments

Payments by the Counterparty under the Swap Agreement will be made by the Counterparty on the dates on which interest on and principal of the Notes are payable in accordance with the Conditions.

Early Termination

The Swap Agreement may be terminated (in whole or, in certain circumstances, in part only) among other circumstances:

- (i) upon the failure by a party to the Swap Agreement to make when due a payment or delivery under the Swap Agreement if such failure is not remedied on or before the third Local Business Day (as defined in the Swap Agreement) after notice of failure is given to such party;
- (ii) upon failure by a party to comply with or perform certain other agreements or obligations if such failure is not remedied on or before the thirtieth day after notice of failure is given to such party;
- (iii) upon certain representations (not relating to taxation) made or repeated or deemed to have been made or repeated by a party proving to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated;
- (iv) upon the bankruptcy of a party to the Swap Agreement;

- (v) if it becomes unlawful for a party to the Swap Agreement to perform any absolute or contingent obligation to make or receive a payment or a delivery under the Swap Agreement or to comply with any other material provision of the Swap Agreement;
- (vi) upon the Notes becoming repayable in whole or in part in accordance with their Conditions at any time prior to their maturity, other than in the circumstances referred to in subparagraph (vii);
- (vii) if the Counterparty exercises its termination option (see “Counterparty Optional Termination”, below);
- (viii) if any of the Securities becomes repayable prior to its stated maturity or (unless the Trustee otherwise agrees) there is a payment default in respect of any of the Securities (see “Mandatory Redemption of the Notes” below);
- (ix) if withholding taxes are imposed on payments made by the Issuer or the Counterparty under the Swap Agreement (see “Taxation”, below).

Consequences of Early Termination

Termination payments in respect of any of the above circumstances will be calculated in accordance with the provisions of the Swap Agreement. An unpaid amount will be excluded from the calculation of the termination payment if the Counterparty has given an undertaking to the Issuer to pay that amount to the Principal Paying Agent and the Issuer has assigned the benefit of that undertaking as described above.

Events of Default

Upon an early termination of the Swap Agreement in any of the circumstances referred to in subparagraphs (i), (ii), (iii) and (iv) above (each, an “**Event of Default**”), an amount will be payable equal to (A) the sum of the Settlement Amount, as determined by the party who is not the party with respect to which the Event of Default has occurred (the “**Non-Defaulting Party**”) in accordance with the provisions described below, and any unpaid amounts owing to the Non-Defaulting Party under the Swap Agreement less (B) the sum of the unpaid amounts owing to the party with respect to which the Event of Default has occurred (the “**Defaulting Party**”) under the Swap Agreement. If that amount is a positive number, it will be payable by the Defaulting Party to the Non-Defaulting Party; if it is a negative number, the absolute value of that amount will be payable by the Non-Defaulting Party to the Defaulting Party.

Termination Events

Upon an early termination of the Swap Agreement in any of the circumstances referred to in subparagraphs (v), or (vi), (ix) above (each, a “**Termination Event**”) where the Termination Event has occurred with respect to one party only (the “**Affected Party**”), the party who is not the party with respect to which the Termination Event has occurred (the “**Non-Affected Party**”) will determine the Settlement Amount in accordance with the provisions described below. An amount will be payable equal to the sum of the Settlement Amount so determined and the unpaid amounts owing to the Non-Affected Party under the Swap Agreement less the sum of the unpaid amounts owing to the Affected Party under the Swap Agreement. If that amount is a positive number, it will be payable by the Affected Party to the Non-Affected Party; if it is a negative number, the absolute value of that amount will be payable by the Non-Affected Party to the Affected Party.

If the Termination Event occurs with respect to both parties, each party will determine a Settlement Amount in accordance with the provisions described below. An amount will then be payable equal to the sum of (i) one-half of the difference between the Settlement Amount of the

party with the higher Settlement Amount (“X”) and the Settlement Amount of the party with the lower Settlement Amount (“Y”) and (ii) the sum of the unpaid amounts owing to X under the Swap Agreement less the sum of the unpaid amounts owing to the Y under the Swap Agreement. If that amount is a positive number, Y will pay it to X: if it is a negative number, X will pay the absolute value of that amount to Y.

Determination of Settlement Amount

With respect to a swap or option transaction that has been terminated early as a result of an Event of Default or a Termination Event, the Settlement Amount shall be determined in the following manner. The relevant party will obtain market quotations from four leading dealers in the relevant market for the replacement cost of the terminated swap transaction. Where such quotations cannot be obtained or would not, in the relevant party's belief, produce a commercially reasonable result, the relevant party will determine in good faith its total loss and costs in connection with such transaction, including any loss of bargain, cost of funding or, at the election of such party but without duplication, the loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position. The Settlement Amount shall be the sum of such market quotations and determination of loss, all as more fully described in the Swap Agreement Counterparty Optional Termination. Please refer to “Counterparty Optional Termination” below for a description of the consequences of an early termination of the Swap Agreement in the circumstances referred to in (vii) above.

Mandatory Redemption of the Notes

Please refer to “Mandatory Redemption of the Notes” below for a description of the consequences of any early termination of the Swap Agreement in the circumstances referred to in (viii) above.

Redemption of the Notes on early termination

In the event that the Swap Agreement is terminated early, the Issuer will become obliged to redeem the Notes at their principal amount, together with interest accrued to the date fixed for redemption (see “Terms and Conditions of the Notes in Bearer Form – Redemption and Purchase – Redemption for taxation and other reasons”). In any such event, the ability of the Issuer to make such payments in full will depend upon (a) whether the Securities are repaid in full or otherwise realised for an adequate sum; (b) the amount of the termination payment (if any) that may be due to the Counterparty or the Issuer, as the case may be. To the extent that, upon a termination, the Counterparty suffers any shortfall, such shortfall will be borne by the Counterparty on the one hand and by the Noteholders and the Couponholders (if any) on the other hand, in accordance with the priorities described under “Terms and Conditions of the Notes in Bearer Form – Security”.

Counterparty Optional Termination

The Counterparty may, at its option and upon written notice, terminate any swap or option transaction, in whole or in part and without payment by either party, if any of the Notes to which that transaction relates are purchased by or on behalf of the Counterparty or any of its subsidiaries or affiliates (“**Purchased Notes**”). Such transaction will terminate *pro rata* in the proportion (the “**Proportion**”) that the aggregate principal amount of the Purchased Notes bears to the aggregate principal amount of the Notes outstanding immediately prior to the purchase of the Purchased Notes by the Counterparty or any of its subsidiaries or affiliates. Upon service of the notice, the Counterparty will be authorised by the Issuer to realise on the Issuer's behalf the Proportion of the Securities (if any) charged to the Trustee under the Trust Deed (“**Realised Securities**”). The realised value of the Realised Securities will be payable by the Issuer to or to the order of the Counterparty, in the contractual currency paid by the Issuer under the relevant transaction. Upon receipt of the realised value of the Realised Securities, the Counterparty will deliver to the Principal Paying Agent the Purchased Notes for cancellation. In such circumstances,

the Issuer will be deemed to have consented to the Trustee releasing the Realised Securities to the Counterparty upon termination of the relevant transaction in the manner described in this paragraph.

Mandatory Redemption of the Notes

If there is a payment default in respect of any of the Securities or any of the Securities becomes repayable prior to its stated maturity (such Securities being referred to as “**Repayable Securities**”), the Issuer will redeem each Note by notice to the Trustee and the Noteholders unless (a) the Trustee otherwise agrees, or (b) the Notes are Credit-linked Notes and such default constitutes (or may, with the lapse of time or exercise of an option, constitute) a Credit Event. Upon a mandatory redemption event, each Note will be redeemed in whole at its Redemption Amount or, as the case may be, on a *pro rata* basis at a Redemption Amount calculated by multiplying the outstanding principal amount of such Note by a fraction the numerator of which is the principal amount of the Repayable Securities and the denominator of which is the principal amount of the Securities that have not, immediately prior to the date of the notice, been the subject of any such notice. Upon such notice taking effect, the swap or option transaction relating to the Notes which are to be mandatorily redeemed will be terminated *pro rata*.

In these circumstances, the amount payable by the Counterparty to the Issuer shall be an amount equal to and in the currency of the aggregate principal amount payable by Issuer upon the redemption of the Notes (*pro rata* or in whole, as the case may be) and the amount payable by the Issuer to the Counterparty shall be an amount equal to and in the currency of the realised value of the Repayable Securities. In addition, the periodic amounts and the final exchange amounts payable by the Issuer and the Counterparty, respectively, under the Swap Agreement will be reduced accordingly.

Taxation

Withholding tax on swap payments

Neither the Issuer nor the Counterparty is obliged under the Swap Agreement to gross-up if withholding taxes are imposed on payments made by either of them under the Swap Agreement.

If withholding taxes are imposed on payments made by the Issuer or the Counterparty under the Swap Agreement, then the Counterparty shall have the right to require the Issuer (subject to obtaining the prior written consent of the Trustee):

- (A) to transfer all of its interests and obligations under the Swap Agreement together with its interests and obligations under the Securities, the Notes, the Trust Deed, the applicable Custody Agreement and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, as would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such deduction or withholding) or to which the Counterparty would be entitled to make payments free from the relevant deduction or withholding (if the Counterparty is or would otherwise be required to make such withholding or deduction); or
- (B) to transfer its residence for tax purposes to another jurisdiction.

In the event that the Issuer is unable to transfer its interest to another party or to transfer its tax residence in accordance with the above provisions within the time limits specified under the Swap Agreement, then the Counterparty will be entitled to terminate the swap transaction under the Swap Agreement.

BOATS INVESTMENTS (NETHERLANDS) B.V.

General

The Issuer was incorporated as a private company with limited liability under the Dutch Civil Code on 3 February 1998 and is registered with the Chamber of Commerce under number 33299834. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The Registered Office of the Issuer is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The telephone number of the Issuer is 00 31 20 521 4777. The authorised share capital of the Issuer is EUR 90,756.04 divided into 2,000 ordinary shares of EUR 45.38 each. 400 shares have been issued and fully paid and are held and owned by Stichting BOATS Investments (Netherlands).

There are no measures in place to ensure that Stichting BOATS Investments (Netherlands) does not abuse its control of the Issuer.

Stichting BOATS Investments (Netherlands) is a foundation incorporated under the laws of the Netherlands on 3 February 1998 (the “**Foundation**”). The objects of the Foundation are, *inter alia*, to acquire and to hold shares in the share capital of the Issuer. The sole Director of the Foundation is Intertrust (Netherlands) B.V. (formerly known as Fortis Intertrust (Netherlands) B.V.). The Foundation has issued depositary receipts to Intertrust Depositary Receipts B.V.

The principal objects of the Issuer are set out in Article 2 of its Articles of Association and permit, among other things, the issuance of Notes and generally enabling it to carry out the business of the Issuer as described in this Programme Memorandum.

Business

Other than as described under “Terms and Conditions of the Notes in Bearer Form – Restrictions”, the Issuer will not undertake any business and will not have any subsidiaries. The Issuer may issue any Series of Notes and enter into related transactions and other non-recourse transactions if the Trustee consents to such issues in accordance with the Conditions.

The Issuer has and will have no assets other than the Securities and any other assets comprising the Mortgaged Property (as defined in the Trust Deed), any other assets on which any Transaction (as defined in the Trust Deed) is secured, assets comprising Available Assets (as defined in the Trust Deed), the sum of EUR 18,151.21 representing the share capital, the balance of the net proceeds of the issue of Notes after the purchase of the Securities and any other assets comprising the Mortgaged Property and the fees received by the Issuer from the Arranger or any other Dealer in respect of the issue of each Series and each Transaction.

Directors

The sole Director and the administrator of the Issuer is Intertrust (Netherlands) B.V. (formerly known as Fortis Intertrust (Netherlands) B.V.) (the “**Administrator**”) and its address is the same as the Registered Office of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated in certain circumstances upon 90 days’ notice by the Issuer, the Foundation or the Administrator. If this occurs, it will be necessary for an alternative administrator to be appointed in the place of the Administrator.

Financial Statements

The Issuer has produced audited annual reports and accounts for the periods ending 31 December 2008 and 31 December 2009, which are incorporated by reference into this Issue Memorandum. The financial statements are audited by KPMG Accountants N.V., who are a member of the Nederlands Instituut van Registeraccountants and whose address is Rijnzathe 14, 3454 PV De Meern, P.O. Box. 43004, 3540 AA Utrecht, the Netherlands.

DUTCH TAXATION

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to the holder of a Note (the “**Noteholder**”, together referred to as the “**Noteholders**”). This section is limited to Dutch tax law as applied by the Dutch courts and published and in effect on the date of this Programme Memorandum, and it is subject to any change in law, possibly with retroactive effect.

The Issuer has been advised that the following Dutch tax treatment will apply to the Notes provided that:

- (a) in each and every respect the terms and conditions of each of the documents, the performance by the parties thereto of their respective obligations and the exercise of their rights thereunder and the transactions contemplated therein, including, without limitation all payments made thereunder, are at arm's length;
- (b) Notes will not be issued under such terms and conditions that the Notes actually function as equity of the Issuer within the meaning of article 10, section 1 subsection (d) of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*);

1. Withholding Tax

All payments made by the Issuer of interest and principal under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

2. Taxes on Income and Capital Gains

A Noteholder who derives income from a Note or who realises a gain from the disposal or redemption of a Note will not be subject to Dutch taxation on such income or gain, provided that:

- (a) the Noteholder is neither resident nor deemed to be resident in the Netherlands for Dutch tax purposes and, if the Noteholder is an individual, has not elected to be treated as a resident of the Netherlands for the purpose of the relevant Dutch tax law provisions;
- (b) the Noteholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of that enterprise, as the case may be, the Notes are attributable;
- (c) the Noteholder is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities, and to which enterprise the Notes are attributable;
- (d) the Noteholder does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer as defined in the Dutch Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*); and
- (e) if the Noteholder is an individual, the Noteholder does not derive benefits from the Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the Notes which are beyond

the scope of “regular active asset management” (*normaal actief vermogensbeheer*) or benefits which are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights which form a “lucrative interest” (*lucratief belang*). A lucrative interest is an interest which the holder thereof has acquired under such circumstances that benefits arising from this lucrative interest are intended to be a remuneration for work or services performed by such holder (or a person related to such holder) in the Netherlands, whether within or outside an employment relationship, where such lucrative interest provides the holder thereof, economically, with certain benefits that have a relationship to the relevant work or services.

Under Dutch tax law a Noteholder will not be deemed resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Notes or the performance by the Issuer of its obligations under the Notes.

3. Gift and Inheritance Taxes

No gift or inheritance taxes will arise in the Netherlands with respect to the acquisition of the Notes by way of gift by, or on the death of, a Noteholder, unless:

- (a) the Noteholder is a resident of or deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions; or
- (b) in the case of a gift of the Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

4. Value Added Tax

No Value Added Tax (*Omzetbelasting*) will arise in the Netherlands in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal or interest on the Notes.

5. Other Taxes and Duties

No registration tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of, or in connection with, the issue of the Notes.

6. European Union Directive on the Taxation of Savings

Under the European Union Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”) Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction (a “**paying agent**”) to an individual resident in another Member State, except that for a transitional period, Luxembourg and Austria instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion

of certain other agreements relating to information exchange with certain other countries and territories). Certain other jurisdictions, including Switzerland, have enacted equivalent legislation which imposes a withholding tax, or an obligation on a paying agent to provide information on a payment of interest or similar income, in substantially the same circumstances as envisaged by the Directive.

THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE CONSEQUENCES OF THEIR PARTICULAR SITUATION.

SUBSCRIPTION AND SALE

Pursuant to the dealer agreement dated 12 February 1998 (as amended, supplemented or restated from time to time) between the Issuer and the Arranger (the “**Dealer Agreement**”), the Notes will be offered on a continuous basis by the Issuer to the Arranger and/or other such dealer(s) (each, a “**Dealer**”) as may be appointed from time to time in respect of any Series pursuant to the Dealer Agreement (subject to certain restrictions contained therein). Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Arranger or the relevant Dealer. The Notes may also be sold by the Issuer through a Dealer, acting as agent of the Issuer.

The name or names of the Dealer or Dealers (if any) of the Notes, the Issue Price of the Notes and, if listed, any commissions payable in respect thereof will be specified in the applicable Issue Memorandum.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and, notwithstanding the possible availability of exemptions from the registration requirements of the Securities Act for certain transactions, the Notes may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) at any time, except in certain transactions exempt from the registration requirements under the Securities Act. Accordingly, no person who is within the United States or any U.S. person is or will be entitled to rely on the information or disclosures contained in this Programme Memorandum. The Issuer has not been, and does not intend to be, registered as an investment company under the United States Investment Company Act of 1940.

The Arranger has represented and agreed (and, upon acceding to the Dealer Agreement, each Dealer will represent and agree) that it has not offered or sold, and will not offer or sell, any Notes within the United States or to a United States person. Accordingly, the Arranger has further represented and agreed (and, upon acceding to the Dealer Agreement, each Dealer will further represent and agree) that neither it nor any of its affiliates nor any person acting on its or their behalf has engaged, or will engage, in any directed selling efforts with respect to the Notes. The Arranger has further represented and agreed (and, upon acceding to the Dealer Agreement, each Dealer will further represent and agree) that in the event that it sells any Notes to any distributor or person receiving a selling concession, fee or other remuneration in respect of the sale of Notes, it will send a confirmation or notice substantially to the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and, notwithstanding the possible availability of exemption from the registration requirements of the Securities Act, may not be offered and sold in the United States or to, or for the account or benefit of, U.S. persons at any time. If you are a distributor or dealer or person receiving a selling commission, fee or other remuneration in respect of the sale of the Notes, you will send a similar confirmation or notice to any purchaser from you of Notes. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.”

Terms used in the preceding two paragraphs have the meanings given to them by Regulation S under the Securities Act.

In respect of Notes that are expressed in the applicable Issue Memorandum to be subject to the C Rules, the following applies:

In addition, the Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. The Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. The Arranger has represented and agreed (and, upon acceding to the Dealer Agreement, each Dealer will represent and agree) that it has not offered, sold or delivered, and that it will not offer, sell or deliver, directly or indirectly, the Notes within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Notes, the Arranger has represented and agreed (and upon acceding to the Dealer Agreement, each Dealer will represent and agree) that it has not communicated, and that it will not communicate, directly or indirectly, with a prospective purchaser if either the Arranger (or such Dealer) or such purchaser is within the United States or its possessions or otherwise involve its United States office in the offer or sale of the Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder, including the C Rules.

In respect of Notes that are expressed in the applicable Issue Memorandum to be subject to the D Rules, the following applies:

In addition, the Arranger has represented and agreed (and, upon acceding to the Dealer Agreement, each Dealer will represent and agree) that (1) it has not offered, sold or delivered, and will not during the restricted period or at any time thereafter offer, sell or deliver, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and (2) it has and throughout the restricted period and at all times thereafter will have in effect procedures including those set out in (1) above reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period or at any time thereafter to a person who is within the United States or its possessions or to a United States person. The Arranger, and upon acceding to the Dealer Agreement, each Dealer, with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, will either (a) repeat and confirm the representations and agreements contained in (1) and (2) on such affiliate's behalf or (b) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in (1) and (2) above. The Arranger has acknowledged (and, upon acceding to the Dealer Agreement, each Dealer will acknowledge) that the restrictions referred to herein and contained in the Dealer Agreement are more extensive than those required under the D Rules, in that they are designed to preclude offers or sales of the Notes within the United States or to United States persons at any time, including after the end of the restricted period. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder, including the D Rules.

United Kingdom

The Arranger and each Dealer has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, neither the Notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person except pursuant to an exemption from the registration requirement of or under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “**Japanese person**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Arranger and each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Memorandum as completed by the Issue Memorandum in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Issue Memorandum in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Issue Memorandum contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Issue Memorandum, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000; and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

The Netherlands

Act on Financial Supervision – global

Notes (including rights representing an interest in any Global Note) with a denomination of less than EUR 50,000 (or the equivalent thereof in other currencies) may not, directly or indirectly, be, (or announced to be) offered, sold, resold, delivered or transferred as part of their initial distribution or at any time thereafter to, or to the order of, or for the account of, any person anywhere in the world other than professional market parties (“**Professional Market Parties**”) within the meaning of and as further described and defined in article 1:1 of the Act on Financial Supervision (*Wet op het financieel toezicht*) (the “**Act**”) and the regulations pursuant thereto, as amended from time to time, being:

- (a) Legal entities licensed or otherwise authorised or regulated to operate in the financial markets;
- (b) Legal entities without a licence and not so authorised or regulated to operate in the financial markets with the sole corporate purpose to invest in securities;
- (c) National or regional governments, central banks, international and supranational institutions and similar international institutions;
- (d) Legal entities with their seat in the Netherlands which:
 - (1) meet at least two of the following three criteria:
 - (i) an average number of employees over the financial year of less than 250;
 - (ii) a balance sheet total not exceeding EUR 43,000,000; and
 - (iii) an annual net turnover not exceeding EUR 50,000,000; and
 - (2) at their own request, have been registered as qualified investor by the AFM.
- (e) Legal entities which according to their most recent (consolidated) annual accounts meet at least two of the following three criteria:
 - (1) an average number of employees over the financial year of at least 250;

- (2) a balance sheet total in excess of EUR 43,000,000; and
- (3) an annual net turnover in excess of EUR 50,000,000;
- (f) Individuals domiciled in the Netherlands who have been registered as qualified investor by the AFM and who meet at least two of the following three criteria:
 - (1) the investor has carried out transactions of a significant size on securities markets at an average frequency of, at least, ten (10) per quarter over the previous four quarters;
 - (2) the size of the person's securities portfolio exceeds EUR 500,000; and
 - (3) the person works or has worked for at least one year in the financial sector in a professional position which requires knowledge of securities investment;
- (g) Individuals or enterprises considered as qualified investors in another Member State pursuant to article 2, first paragraph, part (e) under (iv) alternatively (v), of the Prospectus Directive;

the parties under (a) up to and including (g) being qualified investors ("**Qualified Investors**");
- (h) Subsidiaries of Qualified Investors provided such subsidiaries are subject to supervision on a consolidated basis;
- (i) Legal entities with a balance sheet total of at least EUR 500,000,000 as per the balance sheet as of the year end preceding the date they purchase or acquire the Notes;
- (j) Legal entities or individuals with net equity of at least EUR 10,000,000 as per the balance sheet as of the financial year end preceding the date they purchase or acquire the Notes and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;
- (k) Legal entities which have a rating of a rating agency that is recognised by the Dutch Central Bank ("**DCB**") or which issue securities that have a rating from such rating agency;
- (l) Legal entities established for the sole purpose of:
 - (1) transactions for the acquisition of receivables that serve as security for securities (to be) offered;
 - (2) transactions for the investment in sub-participations or derivatives as to the transfer of credit risk that may be settled by transfer of receivables to such legal persons or companies, while the rights pursuant to the sub-participations or derivatives, will be used as security for the securities (to be) offered; or
 - (3) providing credit for the benefit of Qualified Investors and their subsidiaries as referred to under (H) above.

Notes (including rights representing an interest in a Global Note) with a denomination of less than EUR 50,000 (or the equivalent thereof in other currencies) will be issued with the following selling restriction:

THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT, DIRECTLY OR INDIRECTLY, BE OR ANNOUNCED TO BE, OFFERED, SOLD, RESOLD, DELIVERED OR TRANSFERRED AS PART OF ITS INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER TO OR TO THE

ORDER OF OR FOR THE ACCOUNT OF ANY PERSON ANYWHERE IN THE WORLD, OTHER THAN TO PROFESSIONAL MARKET PARTIES WITHIN THE MEANING OF THE ACT ON FINANCIAL SUPERVISION (*WET OP HET FINANCIËEL TOEZICHT*) AND THE REGULATIONS PURSUANT THERETO, AS AMENDED FROM TIME TO TIME.

EACH HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN), BY PURCHASING THIS NOTE (OR ANY INTEREST HEREIN), WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR THE BENEFIT OF THE ISSUER THAT (1) IT IS ACTING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER PROFESSIONAL MARKET PARTY, (2) THIS NOTE (OR ANY INTEREST HEREIN) MAY NOT BE OR ANNOUNCED TO BE OFFERED, SOLD, RESOLD, DELIVERED OR TRANSFERRED TO OTHERS THAN TO PROFESSIONAL MARKET PARTIES ACQUIRING THE SAME FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF A PROFESSIONAL MARKET PARTY AND (3) THE HOLDER WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS DESCRIBED HEREIN TO ANY SUBSEQUENT TRANSFEREE.

Non PD-Notes

Any Notes (including rights representing an interest in any Global Note) issued under the Programme which have a maturity of less than twelve (12) months and qualify as money market instruments pursuant to article 5:1a of the Act ("**Non PD-Notes**") shall only be offered in accordance with the Act.

Savings Certificates Act

In addition and without prejudice to the relevant restrictions set out above, Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever ("**Zero Coupon Notes**") in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or an admitted institution (toegelaten instelling) of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Savings Certificates Act (*Wet inzake spaarbewijzen*) as amended from time to time. No such mediation is required in respect of:

- (a) the transfer and acceptance of Zero Coupon Notes whilst in the form of rights representing an interest in a Zero Coupon Instrument in global form;
- (b) the initial issue of Zero Coupon Notes in definitive form to the first holders thereof;
- (c) the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession; or
- (d) the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 March 1987 attached to the Royal Decree of 11 March 1987 as published in the Official Gazette 1987, 129, as amended from time to time, each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes.

GENERAL INFORMATION

1. The establishment of the Programme and the issue of Notes and the entry into of Transactions thereunder was authorised by a resolution passed by the Board of Directors of the Issuer on 12 February 1998 and the updating of the Programme hereby was authorised by a resolution passed by the Board of Directors of the Issuer on 23 September 1999, 19 December 2000, 27 March 2002, 3 June 2003, 10 June 2004, 29 April 2005, 19 January 2006, 24 July 2007, 8 July 2008, 23 July 2009 and 5 October 2010.
2. Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2009, being the date of its latest audited annual reports and accounts.
3. There are no governmental, legal, litigation or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months before the date of this Programme Memorandum, which may have or have had in the recent past significant effects on the Issuer's financial position or profitability.
4. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN) and the Common Code (if any) allocated to the Notes will be set out in the applicable Issue Memorandum.
5. The Notes, if in bearer form, and the Coupons (if any) appertaining thereto will carry a statement to the effect that any United States person holding such obligation will be subject to limitations under the United States income tax laws including the limitations provided in Sections 165(j) and 1287(a) of the United States Internal Revenue Code.
6. Copies of this Programme Memorandum, the Issue Memorandum relating to each Series of Notes, the Trust Deed, the Agency Agreement, the applicable Swap Agreement, the applicable Custody Agreement, the Articles of Association, the last two years' audited annual reports and accounts of the Issuer and any other deed or agreement applicable to any Series of Notes will be made available for physical inspection during usual business hours on any day (except Saturdays, Sundays and legal holidays), so long as any of the Notes remains outstanding, at the Registered Office of the Issuer and, for the purposes of the Issue Memorandum only, at the specified office of the Principal Paying Agent.
7. The Issuer does not intend to provide post issuance transaction information regarding Notes to be listed on a stock exchange or, where applicable, the performance of any Securities.

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