

Base Prospectus

Nimrod Capital p.l.c.

(incorporated as a public limited company in Ireland with registered number 426003)

€40,000,000,000 Programme for the issue of Notes

It is intended that Nimrod Capital p.l.c. (the “**Issuer**”) from time to time may issue notes (the “**Notes**”) under the programme for the issue of Notes described herein (the “**Programme**”) subject to compliance with relevant laws, regulations and directives.

This document (the “**Base Prospectus**”) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and relevant implementing measures in Ireland.

Application has been made to the Irish Financial Services Regulatory Authority (“**IFRSRA**”), which is the Irish competent authority for the purposes of the Prospectus Directive and relevant implementing measures in Ireland, for this Base Prospectus to be approved as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland for the purpose of giving information with regard to the issue of Notes of the Issuer under the Programme during the period of twelve months after the date hereof. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or any other EU regulated market and/or offered to the public within the EEA and IFRSA has neither reviewed nor approved this document in relation to any other Notes.

Application has been made to the Irish Stock Exchange Limited (the “**Irish Stock Exchange**”) for such Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange, a regulated market for the purposes of Directive 93/22/EEC. No assurance can be given that such an application to admit the Notes to the Official List and to trading on the regulated market will be successful.

In addition, Notes may be issued pursuant to the Programme which are listed on another stock exchange and/or admitted to trading on another market (which may or may not be regulated) and/or unlisted and/or not admitted to trading on any market, in each case as specified in the relevant Final Terms.

The Notes will be issued on the terms set out in this Base Prospectus and in final terms (the “**Final Terms**”) entered into in connection therewith. Notes may also be issued under the Programme on terms set out in a prospectus relating to such Notes which incorporates by reference the whole or any part of this Base Prospectus.

Copies of each set of Final Terms will be available at the specified office set out below of the Issuer. In addition, a copy of each set of Final Terms in respect of a Series of Notes admitted to trading on the regulated market of the Irish Stock Exchange or the subject of a public offer within the EEA will be filed with IFRSA.

The obligations of the Issuer under the Notes will be secured by, *inter alia*, the security interests in favour of the Trustee over the assets of the Issuer described further herein, subject to and all as more fully described in “Terms and Conditions of the Notes - Security”. If the net proceeds of the enforcement of the security for the Notes are insufficient to meet in full the claims of all such secured parties (in accordance with the priorities described herein), none of the other assets of the Issuer (if any) will be available to meet the insufficiency and any outstanding liability of the Issuer shall be extinguished upon such enforcement regardless of any such insufficiency.

Payments of principal and interest in respect of the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay further amounts as a consequence.

The Notes will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, the Arranger, the Dealers, any Agent, the Portfolio Manager or the Trustee.

Notes may be issued in bearer form or in registered form. Notes may be issued in definitive form or may be held and cleared through Euroclear Bank S.A./N.V. of 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium (“**Euroclear**”) or Clearstream Banking, société anonyme of 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg (“**Clearstream, Luxembourg**”) or any other clearing system as may be specified in the relevant Final Terms.

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.

Arranger and Dealer
KBC Bank NV

INTRODUCTION

Information in relation to the Issuer is set out on pages 17 to 19 of this Base Prospectus. The final terms of each Series of Notes of the Issuer (and related information) will be set out in Final Terms which should be read together with this Base Prospectus. The Base Prospectus should be read and construed in conjunction with each relevant Final Terms and all other documents which are incorporated by reference herein.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Trustee, Agents, Arranger, Dealers or Portfolio Manager accepts any responsibility for the information contained in this Base Prospectus.

No person has been authorised to give any information or to make any representations other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer at any time.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes. The Dealers accept no liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes.

This Base Prospectus (and any other information supplied in connection with the Notes) is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and of the tax, accounting and legal consequences of an investment in any of the Notes for such investor. Each prospective purchaser of any of the Notes, in connection with their primary distribution or otherwise, shall have such knowledge and experience in financial and business matters that it is capable of evaluating the merits, risks and suitability of investing in the Notes.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Dealers to subscribe for, or purchase, any Notes. The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see "*Subscription and Sale*".

The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summaries are qualified by reference to and are subject to the provisions of such documentation.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€” and “EUR” are to the Euro and “U.S.\$” and “USD” are to U.S. dollars.

In connection with the issue of any Series of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Series of Notes to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange, the aggregate principal amount of Notes allotted does not exceed 105 per cent of the aggregate principal amount of the relevant Series of Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes.

TABLE OF CONTENTS

	Page
Introduction	1
Supplementary Information	4
Information Incorporated by Reference	5
Risk Factors	6
Summary of the Programme	11
Portfolio Management, Administration, Custody, Banking and Hedging Arrangements	15
The Issuer	17
Use of Proceeds and Expenses	20
Terms and Conditions of the Notes	21
The Underlying Bonds and the Underlying Bond Issuer	59
Taxation	60
Summary of Provisions relating to the Notes while in Global Form	67
Subscription and Sale	72
General Information	78

SUPPLEMENTARY INFORMATION

The Issuer shall prepare a supplement to this Base Prospectus in the circumstances required by, and in compliance with, Article 16.1 of the Prospectus Directive and relevant implementing measures in Ireland.

INFORMATION INCORPORATED BY REFERENCE

The following document has been filed with the Irish Stock Exchange and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- The terms and conditions of the notes as referred to on pages 22 up to and including 46 of the base prospectus of the Issuer relating to the Programme dated 21 September 2006.

These terms and conditions shall be relevant in case of re-opening of issues of Notes that were originally opened having the benefit of such terms and conditions. The non-incorporated part of the base prospectus of the Issuer dated 21 September 2006 is either not relevant for an investor or is covered elsewhere in this Base Prospectus.

RISK FACTORS

General

The following is a summary and is not intended to be an exhaustive description of all of the risks and investment considerations relevant to an investment in any Notes. Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. The following investment considerations, alone or collectively, may reduce the return on the Notes and could result in the loss of all or a portion of a Noteholder's investment in the Notes. Each prospective purchaser of Notes is solely responsible for making its own independent appraisal of all such matters and such other matters as the prospective purchaser deems appropriate, in determining whether to purchase Notes and that an investment in the Notes is suitable for its investment purposes.

Risks Relating to the Notes

Limited Recourse

The Notes will be limited recourse obligations of the Issuer secured on the Charged Assets (as defined in Condition 4(a)) and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. The Issuer is a special purpose company established, *inter alia*, for the purpose of issuing the Notes. The holders of the Notes and Coupons shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Charged Assets. Any shortfall on realisation of the security shall be borne by the Noteholders and the Couponholders.

Further, the Trustee and the Noteholders will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.

Early Redemption for Tax or Legal Reasons

The Issuer may for specified tax or legal reasons, as detailed in Condition 7(c), upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date.

No Tax Gross-Up

Payments on the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay additional amounts in respect of the Notes as a result thereof.

The Issuer will be entitled to pay an additional amount to Noteholders to compensate for any amount withheld for or on account of tax from payments on the Notes. If the Issuer does not elect to pay such an additional amount to Noteholders in the event that it is required to withhold an amount from a payment to Noteholders for or on account of tax, the Issuer will be obliged to redeem the Notes on the next Interest Payment Date in accordance with Condition 7(c)(i).

European Union Directive on Taxation of Savings Income

Under the EC Council Directive 2003/48/EC on the taxation of savings income, Member States of European Union are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in

relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

Modification, Waivers and Substitution

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

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, (but shall not be obliged to) agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default (each as defined in the Master Trust Deed (as defined in “*Terms and Conditions of the Notes*” below) shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

The Calculation Agent

The Calculation Agent is required to calculate certain amounts in relation to the Notes. Noteholders may receive different distributions and/or payments as a result of roundings effected by the Calculation Agent.

Market, Liquidity and Yield Considerations

Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market.

Legality of Purchase

The Issuer does not have or assume responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law, regulatory policy applicable to it. A prospective purchaser of Notes may not rely on the Issuer in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Denomination

Notes will be in such denominations as may be specified in the relevant Final Terms subject to a minimum denomination of €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

Risks Relating to the Issuer

The Issuer is a Special Purpose Vehicle

The Issuer's primary business is the raising of money by issuing Notes for the purposes of purchasing financial assets and entering into related derivatives and other contracts. The Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series of Notes or entry into other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which Notes or other obligations are secured.

No Regulation of the Issuer by any Regulatory Authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by

any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of Notes.

An investment in any Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

Fixed/Floating Security

Under Irish law, for a charge to be characterised as a fixed charge, it must be expressed to be such and the charge holder must be entitled to and must in practice exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. A security interest expressed to be of a fixed nature may be recharacterised as floating by an Irish court if the court determines that all of the above features are not present throughout the life of the arrangements.

Although certain of the security to be granted by the Issuer over the Charged Assets in favour of the Trustee pursuant to the Trust Deed (as defined in "*Terms and Conditions of the Notes*" below) will be expressed to be of a fixed nature, there can be no assurance that a court would not nevertheless recharacterise such security as floating. The priority of the holder of floating security is more vulnerable than that of the holder of fixed security in certain circumstances. See further "*Preferred creditors under Irish law*" below.

Preferred Creditors under Irish Law

Under Irish law, upon an insolvency or examinership of an Irish company such as the Issuer when applying the proceeds of assets subject to fixed security which have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which includes any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts.

The interest of secured creditors in property and assets of an Irish company over which there is a floating charge only will rank behind the claims of certain preferential creditors on enforcement of such security. Preferential creditors include the Irish Revenue Commissioners, statutory redundancy payments due to employees (including where those employees have been made redundant as a result of the liquidation of the borrower) and money due to be paid by the Irish company in respect of employers contributions under any pension scheme.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

Examinership

Examinership is a court moratorium/protection procedure available under Irish company law. An examiner may be appointed to a company which is likely to be insolvent if the court is satisfied that there is a reasonable prospect of the survival of the company and all or part of its undertaking as a

going concern. During the examinership period (70 days, or longer in certain circumstances) the company is protected from most forms of enforcement procedure and the rights of its secured creditors are largely suspended. Accordingly, if an examiner is appointed to a Issuer, the Trustee would be precluded from enforcing the security over any Charged Assets during the period of the examinership. An examiner has various powers during the examinership period, including power to deal with charged property of the company, repudiate certain contracts, and incur borrowing costs and other expenses some of which will take priority over rights of secured creditors. If the examiner concludes that it would facilitate the survival of the company as a going concern, he must formulate proposals for a compromise or scheme of arrangement in relation to the company. The members and creditors of the company will have an opportunity to consider any such proposals, and the proposals require court approval. A compromise or scheme of arrangement, if confirmed by the court, is binding on creditors (including secured creditors) and may result in amounts payable to creditors (including secured creditors) being reduced.

Introduction of International Financial Reporting Standards

The Issuer's Irish corporation tax position depends to a significant extent on the accounting treatment applicable to the Issuer. The accounts of the Issuer are required to comply with International Financial Reporting Standards ("IFRS") or with generally accepted accounting principles in Ireland ("Irish GAAP") which has been substantially aligned with IFRS. Companies such as the Issuer might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value may generally be brought into the charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of section 110 of the Taxes Consolidation Act of Ireland 1997, as amended, (which it is anticipated that the Issuer will be) will be based on the profits that would have arisen to the company had its accounts been prepared under Irish GAAP as it existed at 31 December 2004. It is possible to elect out of such treatment and such election, if made, is irrevocable. If the Issuer makes such an election, then taxable profits or losses could arise to the Issuer as a result of the application of IFRS or current Irish GAAP that are not contemplated in the cash-flows for the transaction and as such may have a negative effect on the Issuer and its ability to make payments to the Noteholders. The Issuer will covenant in Clause 10.29 of the Master Trust Deed that, if its cash flows would thereby be affected adversely, no such election will be made.

Risks Relating to the Charged Assets

Reliance on the Custodian

The Underlying Bonds (as defined in "*The Underlying Bonds*" below) comprising part of the General Charged Assets will be held in an account of, and in the name of, the Custodian. Where any Additional Charged Assets consist of assets other than securities, such Additional Charged Assets may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee. The Custodian may be responsible under the Agency Agreement (as defined in "*Terms and Conditions of the Notes*" below) for receiving payments on Charged Assets and remitting them to the relevant other creditors or the Principal Paying Agent, as the case may be.

No Investigations

No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer or the Trustee in respect of the Charged Assets. No representations or warranties, express or implied, have been or will be given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Charged Assets.

Charged Assets

Noteholders may be exposed to the market price of the Charged Assets. The Issuer may have to fund its payments by the sale of the Charged Assets at a market value and the nominal amount of the Charged Assets will be reduced by the principal amount of the Charged Assets sold. The market price of the Charged Assets will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the issuer of the Charged Assets. The Dealers may have acquired, or during the terms of the Notes may acquire, confidential

information with respect to any Charged Assets and, if so, they shall not be under any duty to disclose such confidential information to any Noteholder.

Custody Arrangements

Where the Charged Assets are held by a sub-custodian on behalf of the Custodian such Charged Assets will be held pursuant to separate agreements which may vary in relation to any particular Custodian and/or sub-custodian and which may not be governed by Irish law or Belgian law and security interests (if any) in respect of such Charged Assets may be created pursuant to separate agreements which may not be governed by Irish law. The Custodian will not necessarily be responsible for the acts, omissions, insolvency or dissolution of a sub-custodian. However, where no security is taken over these separate arrangements or over the Charged Assets themselves itself (as specified in the relevant Final Terms), the insolvency or dissolution of the Custodian or the sub-custodian may affect the ability of the Issuer to meet its obligations under the Notes.

Portfolio Manager

Pursuant to the Portfolio Management Agreement (as defined below under "*Portfolio Management, Administration, Custody, Banking and Hedging Arrangements*"), the Portfolio Manager (as defined below under "*Portfolio Management, Administration, Custody, Banking and Hedging Arrangements*") will be responsible for managing and servicing the Charged Assets on behalf of the Issuer, including executing the acquisition and disposal of Underlying Bonds subject to compliance with the applicable provisions of the Trust Deed. In undertaking this role, the Portfolio Manager may review such available public information relating to the Underlying Bond Issuer (as defined below under "*The Underlying Bond Issuer*") as it considers appropriate in its absolute discretion. Such review may not include due diligence of the kind common in relation to a primary securities offering.

The performance of any investment in the Notes will be dependent on, *inter alia*, the ability of the Portfolio Manager to manage and service the Charged Assets and the performance by the Portfolio Manager of its obligations under the Portfolio Management Agreement.

Although the Portfolio Manager is required, pursuant to the terms of the Portfolio Management Agreement, to maintain such equipment, materials and expertise, and employ such professional and other personnel, as shall be necessary to perform the services thereunder, the Portfolio Manager is not required to devote all of its time to such affairs and may continue to advise other investment funds and accounts or provide other management and advisory services to other funds or accounts in the future.

Performance of Notes Directly Related to Performance of Underlying Bonds

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of the scheduled payments under the Charged Assets. It is anticipated that the Charged Assets will be comprised primarily of Underlying Bonds. Consequently, the Issuer is exposed to the ability of the issuer of the Underlying Bonds (the Underlying Bond Issuer) to perform its payment obligations under the Underlying Bonds.

Underlying Bonds are Limited Recourse Obligations of the Underlying Bond Issuer

The Underlying Bonds will be limited recourse obligations of the Underlying Bond Issuer secured on the Underlying Collateral Portfolio and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. The Underlying Bond Issuer is a special purpose company established, *inter alia*, for the purpose of issuing the Underlying Bonds and acquiring and holding the collateral on which the Underlying Bonds are secured (the "**Underlying Collateral**"). The holders of the Underlying Bonds (including the Issuer) shall have no recourse to the Underlying Bond Issuer beyond the moneys derived by or on behalf of the Underlying Bond Issuer in respect of the Underlying Collateral. Any shortfall on realisation of the security over the Underlying Collateral shall be borne by the holders of the Underlying Bonds (including the Issuer).

Further, the holders of the Underlying Bonds (including the Issuer) will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Underlying Bond Issuer. No person other than the Underlying Bond Issuer will be obliged to make payments on the Underlying Bonds.

SUMMARY OF THE PROGRAMME

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

Issuer	Nimrod Capital p.l.c.
Arranger	KBC Bank NV
Dealers	KBC Bank NV and any other Dealer appointed from time to time by the Issuer. The name(s) of the Dealer(s) for each Series will be stated in the relevant Final Terms.
Trustee	BNY Corporate Trustee Services Limited (formerly J.P. Morgan Corporate Trustee Services Limited)
Principal Paying Agent and Registrar	The Bank of New York
Custodian	KBC Bank NV
Administration Agent	BNY Financial Services p.l.c.
Portfolio Manager	KBC Asset Management NV
Listing Agent	McCann FitzGerald Listing Services Limited
Distribution	Notes may be distributed by way of private or public placement and in each case on a non-syndicated or a syndicated basis.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in the currency of any country as may be agreed by the Issuer and the relevant Dealer(s) on a case by case basis.
Security	The Notes are secured (subject to the provisions of, and as more fully described in, Condition 4) (i) pursuant to the Master Trust Deed by way of charge in favour of the Trustee on the Underlying Bonds held by or on behalf of the Issuer and (ii) pursuant to a Belgian law pledge over the Custody Account and the Cash Account (each as defined below in <i>Portfolio Management, Administration, Custody, Banking and Hedging Arrangements</i>) made between the Issuer (as pledgor), the Trustee (as pledgee), the Portfolio Manager and the Custodian. In addition, a Series may also be secured on such Additional Charged Assets (if any) as are specified in the Supplemental Trust Deed (if any relative to such Series).
Limited Recourse	Claims in respect of any shortfall remaining with respect to any Series of Notes of the Issuer after enforcement of the Security and application of the proceeds thereof in accordance with the Trust Deed and the Conditions (and

in particular Condition 4(b)) shall be extinguished and failure by the Issuer to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under the Notes.

There is no intention to accumulate surpluses in the Issuer.

Form of Notes

The Notes may be issued in bearer form only (“**Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Series of Bearer Notes will be represented by a temporary global note (each a “**Temporary Global Note**”) initially, unless the Principal Paying Agent is notified to the contrary by the Issuer. Such Temporary Global Notes will be deposited in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg, on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg. Temporary Global Notes representing Notes which are not listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange or which are in respect of a Series intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, may be deposited in the manner agreed between the Issuer, the Principal Paying Agent and the relevant Dealer(s). No interest will be payable in respect of a Temporary Global Note except as described under “*Summary of Provisions Relating to the Notes while in Global Form*”. Interests in Temporary Global Notes will be exchangeable for interests in permanent global notes (each a “**Permanent Global Note**”) or, if so stated in the relevant Final Terms, for definitive notes (each a “**Definitive Note**”) in bearer or registered form, as set out in the relevant Final Terms, in the case of Notes in bearer form after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive Notes in bearer form or registered form in the circumstances described under “*Summary of Provisions Relating to the Notes while in Global Form*”.

Each Series of Notes in registered form may be represented (i) by one or more Global Certificates in registered form without Coupons, deposited on the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee for Euroclear and Clearstream, Luxembourg or (ii) by Individual Certificates, as specified in the relevant Final Terms. See “**Subscription and Sale**”. Global Certificates will be exchangeable for Individual Certificates in the limited circumstances set out therein. See “*Summary of Provisions Relating to Notes while in Global Form*”. References to “**Noteholder**” mean the bearer of any Bearer Note and the Coupons relating to it or the person in whose name a Registered Note is registered (as the case may be) and to “**holder**” (in relation to a Note or Coupon) means the bearer of any Bearer Note, Coupon or the person in whose name a Registered Note is registered (as the case may be).

Denomination	Notes will be in such denominations as may be specified in the relevant Final Terms subject to a minimum denomination of €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).
Maturities	Subject as set out below and in compliance with all relevant laws, regulations and directives, the Notes issued pursuant to the Programme will have a minimum maturity of one year and may also be issued with no fixed maturity and in perpetual form.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Method of Issue	The Notes will be issued in one or more series (each a “ Series ” or “ Series of Notes ”). Further Notes may be issued as part of an existing Series.
Fixed Rate Notes	Fixed interest will be payable on the date or dates in each year specified in the relevant Final Terms and at maturity.
Floating Rate Notes	Notes with no fixed rate of interest will bear interest set separately for each Series by means of a formula or a series of formulae or may be based on an Index Rate in the manner specified in the relevant Final Terms. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both.
Redemption Amounts	The Final Terms issued in respect of each issue of Notes will specify the basis for calculating the redemption amounts payable, which may be par or set by reference to an index or formula or as otherwise provided in the relevant Final Terms.
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 Final Terms.
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 Final Terms.
Other Notes	Terms applicable to any other type of Note which the Issuer and any Dealer or Dealers may agree to issue will be set out in the relevant Final Terms and/or a supplement to this Base Prospectus and/or a prospectus relating to the relevant Series of Notes, as required.
Optional Redemption	Subject to the restrictions set out in “ <i>Maturities</i> ” above, the Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Early Redemption	Notes of any Series may be redeemed prior to their stated maturity if any of the Underlying Bonds or Additional Charged Assets purchased with the proceeds of issue of such Notes (specified in the relevant Final Terms) becomes repayable prior to its stated maturity, or on termination of any related Swap Agreement (specified in the relevant Final Terms) or on imposition of any tax in respect of payments under any Underlying Bonds or Additional Charged Assets purchased with the proceeds of issue of such Notes (specified in the relevant Final Terms) in accordance with Condition 7.
Taxation	Payments of principal and interest in respect of the Notes will be made subject to withholding tax (if any) applicable to the Notes without the Issuer being obliged to pay further amounts as a consequence, as described in " <i>Terms and Conditions of the Notes - Taxation</i> ". The Issuer will be entitled to pay an additional amount to Noteholders to compensate for any amount withheld for or on account of tax from payments on the Notes. If the Issuer does not elect to pay such an additional amount to Noteholders in the event that it is required to withhold an amount from a payment to Noteholders for or on account of tax, the Issuer will be obliged to redeem the Notes on the next Interest Payment Date in accordance with Condition 7(c)(i).
Status of Notes	The Notes and the Coupons are secured obligations of the Issuer and rank and will rank <i>pari passu</i> without any preference among themselves. The Notes represent limited recourse obligations of the Issuer. The Notes may be issued as senior ranking Notes (" Senior Notes "), mezzanine ranking notes, which may be divided into any one of eight sub-classes of notes – see further Condition 3 (together, " Mezzanine Notes ") or subordinate ranking Notes (" Subordinated Notes ").
Restrictions	So long as any of the Notes remain outstanding, the Issuer will not, without the consent of the Trustee, or except as contemplated by the Programme Documents, incur any other indebtedness for borrowed moneys, engage in any business, declare any dividends, have any employees or have any subsidiaries. See " <i>Terms and Conditions of the Notes — Restrictions</i> ".
Cross Default	The Conditions of the Notes will not contain any cross default provision. The Events of Default which apply to the Notes are set out in Condition 9.
Listing	Notes may be admitted to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange or as otherwise specified in the relevant Final Terms. Further, the relevant Final Terms may specify that a Series of Notes may not be listed on any stock exchange, or may be listed on one or more stock exchanges other than the Irish Stock Exchange.
Governing Law	The Notes (including the Global Notes and the Global Certificates) and the Coupons are governed by Irish law.

PORTFOLIO MANAGEMENT, ADMINISTRATION, CUSTODY, BANKING AND HEDGING ARRANGEMENTS

Portfolio Management

The Underlying Bonds and any Additional Charged Assets held by the Issuer will be managed on behalf of the Issuer by KBC Asset Management NV (in such capacity, the “**Portfolio Manager**”) pursuant to a portfolio management agreement originally dated 21 September 2006 and amended and restated on 22 October 2007 and made between the Issuer, the Trustee and the Portfolio Manager (the “**Portfolio Management Agreement**”).

Pursuant to the Portfolio Management Agreement, the Portfolio Manager will acquire and dispose of Underlying Bonds on behalf of the Issuer and, at the request of the Issuer and subject to the consent of the Trustee, other fixed income securities or deposits or derivative transactions which shall constitute Additional Charged Assets with respect to a particular Series of Notes.

The Portfolio Manager was incorporated in Belgium on 30 December 1999 and obtained a licence as “vennootschap voor vermogensbeheer” (asset management company) on 1 June 2000 by the “Commissie voor het Bank – en Financiewezen – Commission Bancaire et Financière” (The Belgian Banking and Finance Commission). This licence was amended on 9 June 2005 to “beheersvennootschap van instellingen voor collectieve belegging” (management company of collective investment schemes).

The principals of the Portfolio Manager are as follows:

- Stefan Duchateau, Chief Executive Officer, responsible for Finance, Organization and Human Resources Management and Risk Control.
- Edwin De Boeck, Managing Director, responsible for Institutional Clients, Business Development, Group Assets, Management Fixed Income (Brussels), Economic Research, Management Quant Research, Management Passive Equity Funds, Sustainability & Socially Responsible Investments (SRI) and KBC Conseil Service.
- Erwin Schoeters, Managing Director, responsible for International Development & Portfolio Management Private Persons, Product Development Home Markets, Management Hedge Funds (Dublin), Legal Support, Management Funds of Funds and Central European Activities.
- Ignace Van Oortegem, Managing Director, responsible for Operations, Process & Application Management, End User Computing and Dealing Desk.
- Werner Van Steen, Managing Director, Management Active Equity Funds, Product & Knowledge Management, Sector & Corporate Research and Management Capital Protected & Structured Funds.

Portfolio Administration

The Underlying Bonds and any Additional Charged Assets held by the Issuer will be administered on behalf of the Issuer by BNY Financial Services p.l.c. (in such capacity, the “**Administration Agent**”) pursuant to the Agency Agreement.

Custody and Banking Arrangements

The Underlying Bonds and any Additional Charged Assets will be held, or caused to be held, on behalf of the Issuer by KBC Bank NV acting in its capacity as custodian and/or by such other custodian as may be appointed by the Issuer with the written approval of the Trustee (the “**Custodian**”) pursuant to the Agency Agreement and the Trust Deed. The Underlying Bonds and any Additional Charged Assets will be held by the Custodian in a securities account in the name of the Issuer (the “**Custody Account**”).

The Custodian will also open a cash account (the “**Cash Account**”) in the name of the Issuer into which will be paid all amounts of principal, interest and other cash distributions received in respect of the Charged Assets. Payments made by the Issuer in respect of the Notes will be made from amounts standing to the credit of this account.

Hedging

The Issuer may from time to time enter into swap and other derivative transactions with counterparties (each a **“Swap Counterparty”**) for the purposes of hedging interest rate, currency or other risks to which it would otherwise be exposed, or for the purposes of gaining exposure to a reference asset, obligation or index (each such transaction, a **“Swap Agreement”**).

THE ISSUER

General

Nimrod Capital p.l.c. was incorporated as a special purpose vehicle in Ireland (with registered number 426003) on 5 September 2006 as a public company limited by shares under the Companies Acts 1963 to 2005. The authorised share capital of the Issuer is EUR40,000 divided into 40,000 ordinary shares of EUR1 each, all of which have been issued at par, are fully paid and are held, directly or through its nominees, by BNY Corporate Trustee Services Limited (formerly J.P. Morgan Corporate Trustee Services Limited) (in such capacity, the “**Share Trustee**”) under the terms of a trust established under Irish law by a declaration of trust dated 12 September 2006 and made by the Share Trustee for the benefit of such charities as the Share Trustee may determine from time to time at its discretion. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as trustee from holding such shares. The registered office of the Issuer is at 4th Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland (telephone number +353 1 542 7920). The Issuer has no subsidiaries or subsidiary undertakings.

Directors and Secretary

The Directors of the Issuer are:

Name	Business Address	Principal Activities
Stefan Duchateau	Havenlaan 2 B-1080 Brussels Belgium	President, Executive Committee of KBC Asset Management NV
John Fitzpatrick	10 Ann Devlin Avenue Rathfarnham Dublin 14 Ireland	Company Director
Michael Boyce	19 Glen Avenue The Park, Cabinteely Dublin 18 Ireland	Company Director

The Directors have been nominated under the terms of the Corporate Services Agreement (as defined below).

The company secretary of the Issuer is BNY Financial Services p.l.c., whose principal address is 4th Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland.

Business

The principal objects of the Issuer are set out in clause 3 of its Memorandum of Association and are, *inter alia*, to issue, purchase, acquire, deal, trade, hold, manage or otherwise enter into an arrangement which constitutes any financial asset including, without limitation, shares, bonds, and other securities, all kinds of futures, options, swaps, derivatives and similar instruments, invoices and to raise, borrow and secure the payment of money by the creation and issue of notes, bonds, debentures, commercial paper, or other securities whether or not secured upon all or any of the Issuer's undertaking, assets, property and revenues.

The only activities in which the Issuer has engaged are those incidental to its incorporation and registration as a public limited company under the Companies Acts 1963 to 2005, the authorisation of the issue of Series of Notes, the other matters referred to or contemplated in this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which the Issuer is a party and matters which are incidental or ancillary to the foregoing.

The Issuer has entered into certain restrictive covenants as set out in the Conditions and the Master Trust Deed.

Corporate Services

J.P. Morgan Bank (Ireland) p.l.c. entered into a Corporate Services Agreement dated 21 September 2006 with the Issuer (the “**Corporate Services Agreement**”). J.P. Morgan Bank (Ireland) p.l.c. subsequently transferred by way of novation its rights and obligations thereunder to BNY Financial Services p.l.c. (the “**Corporate Services Provider**”). The duties of the Corporate Services Provider thereunder include the provision of certain administrative, secretarial and related services to the Issuer in Ireland. The appointment of the Corporate Services Provider may be terminated in the following circumstances:

- (a) by the Issuer or the Corporate Services Provider by giving not less than ninety (90) days’ written notice to the other party; or
- (b) forthwith by the Issuer or the Corporate Services Provider by giving written notice to the other party (the “**Defaulting Party**”), if the Defaulting Party:
 - (i) commits any material breach of the Corporate Services Agreement which is either incapable of remedy or has not been remedied within thirty (30) days of the other party serving notice upon the Defaulting Party requiring it to remedy same;
 - (ii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof;
 - (iii) is the subject of any petition for the appointment of an examiner or similar officer to it;
 - (iv) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues;
 - (v) is the subject of any effective resolution for its winding-up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or
 - (vi) is the subject of a court order for its winding-up.

On termination of the appointment of the Corporate Services Provider or on its retirement, the Issuer shall promptly appoint a successor Corporate Services Provider.

Issuer’s power to appoint a new trustee and the resignation/removal of the Trustee

Pursuant to the provisions of the Trust Deed, the Issuer has the power to appoint a new trustee where the Trustee has resigned or has been removed as set out below.

The Trustee may retire at any time upon giving not less than 60 days’ prior written notice to the Issuer without giving any reason and without being responsible for any costs occasioned by such retirement and the Noteholders shall have power, exercisable by extraordinary resolution, to remove any Trustee provided that the retirement or removal of any sole trustee or sole trust corporation shall not become effective until a trust corporation is appointed as successor Trustee. The Issuer undertakes that, if a sole trust corporation gives notice of retirement or an extraordinary resolution of Noteholders is passed for its removal, the Issuer shall use all reasonable endeavours to procure that another trust corporation be appointed as Trustee. If the Issuer fails to procure the appointment of a new trustee within the period of 60 days following notification of resignation or removal, the Trustee may appoint a successor trustee.

The only assets of the Issuer available to meet the claims of the holders of the Notes will be the assets which comprise the security for the Notes, as described under Condition 4 of the Notes.

The Notes are obligations of the Issuer alone and not of the Corporate Services Provider (as defined above), the Trustee, or the Custodian.

There is no intention to accumulate surpluses in the Issuer.

Financial Statements

Since its incorporation, no financial statements of the Issuer have been prepared. Any future financial statements will be published for each year ending on the last day of April and will be available at the registered office of the Issuer and will be filed with the Irish Stock Exchange.

Auditors

The statutory auditors of the Issuer are Deloitte. Deloitte is a member of the Institute of Chartered Accountants of Ireland.

USE OF PROCEEDS AND EXPENSES

The net proceeds of each issue of Notes will be used by the Issuer in acquiring Underlying Bonds issued or to be issued by the Underlying Bond Issuer (as each such term is defined below under “*The Underlying Bonds and the Underlying Bond Issuer*”) and/or to acquire Additional Charged Assets and/or make an initial payment under a related Swap Agreement, if applicable. The expenses for each issue of Notes will be identified in the relevant Final Terms.

TERMS AND CONDITIONS OF THE NOTES

The following (apart from the text in italics) is the text of the terms and conditions which, subject to completion and amendment pursuant to the Final Terms relating to a Series, and as supplemented, modified or replaced by the provisions of any relevant Supplemental Trust Deed, and as described in the section of this Base Prospectus headed "Summary of Provisions Relating to the Notes while in Global Form", will be applicable to the Global Note(s) or Global Certificates representing each Series and to the Definitive Bearer Notes or Individual Certificates (if any) issued in exchange therefor and will be endorsed on such Definitive Bearer Notes or Individual Certificates, details of the relevant Series being shown on the relevant Notes or Certificates and in the relevant Final Terms.

The Notes are constituted by a master trust deed originally dated 21 September 2006 and amended and restated on 22 October 2007 (the "**Master Trust Deed**") made between, inter alios, the Issuer and BNY Corporate Trustee Services Limited (formerly J.P. Morgan Corporate Trustee Services Limited) (the "**Trustee**") as trustee for the holders of the Notes. The Master Trust Deed incorporates by reference the provisions of a master definitions and common terms agreement originally dated 21 September 2006 and amended and restated on 22 October 2007 made between, inter alios, the Issuer and the Trustee (the "**Master Definitions and Common Terms Agreement**"). The Notes will be issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") issued on different dates. The Issuer and the Trustee may enter into a deed supplemental to the Master Trust Deed with respect to a Series (each a "**Supplemental Trust Deed**"). The Master Trust Deed and any relevant Supplemental Trust Deed with respect to a Series are referred to together as the "**Trust Deed**" with respect to the relevant Series. Payments under the Notes will be made pursuant to a master agency agreement originally dated 21 September 2006 and amended and restated on 22 October 2007, as amended from time to time (the "**Agency Agreement**"), which the Issuer has entered into with the Trustee, The Bank of New York as principal paying agent (in such capacity the "**Principal Paying Agent**" and together with any other paying agents appointed thereunder, the "**Paying Agents**"), as calculation agent (in such capacity, the "**Calculation Agent**"), as transfer agent (in such capacity the "**Transfer Agent**") and as registrar (in such capacity the "**Registrar**") and BNY Financial Services p.l.c. as administration agent (in such capacity, the "**Administration Agent**"), KBC Bank NV as custodian (in such capacity, the "**Custodian**" and together with the Paying Agents, Calculation Agent, Administration Agent, Custodian, Registrar and Transfer Agent, the "**Agents**") and KBC Asset Management NV as portfolio manager (the "**Portfolio Manager**"). The Agency Agreement also incorporates by reference the provisions of the Master Definitions and Common Terms Agreement. References in these Conditions (as defined below) to the Principal Paying Agent and the other Agents and to the "**Agency Agreement**" shall be construed accordingly. All Underlying Bonds and Additional Charged Assets (as defined in Condition 4(a)) taking the form of securities will be held or caused to be held on behalf of the Issuer by such Custodian pursuant to the Agency Agreement (as amended from time to time) and/or such other agreement as may be specified in the relevant Supplemental Trust Deed and the Conditions. References in these Conditions to the "**Custodian**" shall be construed accordingly. Statements in these terms and conditions as amended and supplemented by the relevant Supplemental Trust Deed, and as described in the relevant Final Terms (the "**Conditions**") are subject to the detailed provisions of the Trust Deed and the Agency Agreement, copies of which are available for inspection at the registered office of the Issuer and the specified offices of the Principal Paying Agent. The Trust Deed includes the form of the Notes in bearer and registered form, the interest coupons (if any) relating to Notes in bearer form (the "**Coupons**") and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**"). Noteholders and Couponholders (each as defined in Condition 1) are entitled to the benefit of, and are deemed to have notice of, all the provisions contained in the Trust Deed and the relevant Final Terms and those applicable to them of the Agency Agreement.

Capitalised terms used but not defined in these Conditions shall have the meanings or values attributed to them in the Master Trust Deed or, if applicable with respect to a Series, the relevant Supplemental Trust Deed, unless the context otherwise requires or unless otherwise stated.

1. **Form, Denomination and Title**

The Notes are serially numbered and issued in bearer form ("**Bearer Notes**") in the denomination of the Specified Denominations(s) or in registered form ("**Registered Notes**") in amounts of the Specified Denomination or such integral multiples of a stated amount in excess thereof ("**Authorised Denominations**") as are specified in the Final Terms. "**Specified Denomination**" means such amount as is specified in the Final Terms subject to

a minimum denomination of €1,000 (or its equivalent in any other currency as at the date of issue of these Notes). All Registered Notes of the same Series shall have the same Specified Denomination.

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided hereon and integral multiples of the Tradable Amount provided in the Final Terms.

Subject as described in “*Summary of Provisions relating to the Notes while in Global Form*”, Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the due date for redemption in respect of overdue amounts of principal, both before and after judgment) and Coupons and Talons in these Conditions are not applicable.

Subject as described in “*Summary of Provisions relating to the Notes while in Global Form*”, Registered Notes are represented by registered certificates (“**Individual Certificates**”), and, save as provided in Condition 2(c), each Individual Certificate representing a holding of one or more Registered Notes by the same holder.

Title to the Bearer Notes, the Coupons appertaining thereto and Talons shall pass by delivery. Title to the Registered Notes shall pass by assignment and registration in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. A copy of the Register showing current holdings of Registered Notes will be available at the registered office of the Issuer. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Bearer Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions “**Noteholder**” means (i) the holder of any definitive Bearer Note or (ii) the person in whose name a Registered Note is registered and “**Couponholder**” means the holder of any Coupon and “**Talonholder**” means the holder of any Talon.

The Issuer, the Trustee and each Paying Agent shall deem and treat each Noteholder, Couponholder and Talonholder as the absolute owner of the relevant Note, Coupon or Talon (whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership or writing thereon) for the purpose of making payments and for all other purposes.

2. **Exchanges of Bearer Notes and Transfers of Registered Notes**

(a) ***Exchange of Bearer Notes***

Subject as provided in Condition 2(f), Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of the Specified Denomination at the request in writing of the relevant Noteholder and upon surrender of each Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where a Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8(b)(ii)) for any payment of interest, the Coupon and Talon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

(b) ***Transfer of Registered Notes***

A Registered Note may be transferred in whole or in part in the Specified Denomination upon the surrender of the Individual Certificate representing such Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer

Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Individual Certificate, a new Individual Certificate in respect of the balance not transferred will be issued to the transferor. A transfer of a Registered Note shall be completed by the recording of the holding of such Registered Notes in the Register. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) ***Exercise of Options or Partial Redemption in respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Individual Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Individual Certificate representing the enlarged holding shall only be issued against surrender of the Individual Certificate representing the existing holding.

(d) ***Delivery of new Individual Certificates***

Each new Individual Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of a duly completed request for exchange or form of transfer or Exercise Notice (as defined in Condition 7(g)) or the surrender of the Certificate for exchange together with satisfaction of any other requirements imposed by these Conditions. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Individual Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets set the payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Exchange free of charge***

Exchange and transfer of Notes or Individual Certificates on registration or transfer or exercise of an option or partial redemption will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect of) any tax, duty or other governmental charges which may be imposed in relation to such registration or transfer.

(f) ***Closed periods***

No Noteholder may require the transfer of a Registered Note to be registered or a Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note, (ii) during the period of 15 days prior to any date on which Notes may be drawn for redemption by the Issuer at its option pursuant to Condition 7(f), (iii) after any such Note has been drawn for redemption in whole or in part or (iv) during the period of seven days

ending on (and including) any Record Date. A Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Individual Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

(a) **Senior Notes**

This Condition 3(a) is applicable only in relation to Notes specified in the applicable Final Terms as being senior ("**Senior Notes**"). The Senior Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Senior Mezzanine Notes, Junior Mezzanine Notes and Subordinated Notes (each as defined below). In order to meet its payment obligations under the Senior Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Senior Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(b) **Class A Mezzanine Notes**

This Condition 3(b) is applicable only in relation to Notes specified in the applicable Final Terms as being class A mezzanine ("**Class A Mezzanine Notes**"). The Class A Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes. In order to meet its payment obligations under the Class A Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class A Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(c) **Class B Mezzanine Notes**

This Condition 3(c) is applicable only in relation to Notes specified in the applicable Final Terms as being class B mezzanine ("**Class B Mezzanine Notes**"). The Class B Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes or Class A Mezzanine Notes. In order to meet its payment obligations under the Class B Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class B Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(d) **Class C Mezzanine Notes**

This Condition 3(d) is applicable only in relation to Notes specified in the applicable Final Terms as being class C mezzanine ("**Class C Mezzanine Notes**"). The Class C Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes or Class B Mezzanine Notes. In order to meet its payment obligations under the Class C Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap

Agreements. Therefore, the holders of Class C Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(e) **Class D Mezzanine Notes**

This Condition 3(e) is applicable only in relation to Notes specified in the applicable Final Terms as being class D mezzanine (“**Class D Mezzanine Notes**”). The Class D Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes or Class C Mezzanine Notes. In order to meet its payment obligations under the Class D Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class D Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(f) **Class E Mezzanine Notes**

This Condition 3(f) is applicable only in relation to Notes specified in the applicable Final Terms as being class E mezzanine (“**Class E Mezzanine Notes**”). The Class E Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class F Mezzanine Notes, Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes or Class D Mezzanine Notes. In order to meet its payment obligations under the Class E Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class E Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(g) **Class F Mezzanine Notes**

This Condition 3(g) is applicable only in relation to Notes specified in the applicable Final Terms as being class F mezzanine (“**Class F Mezzanine Notes**”). The Class F Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class G Mezzanine Notes, Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes or Class E Mezzanine Notes. In order to meet its payment obligations under the Class F Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class F Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(h) **Class G Mezzanine Notes**

This Condition 3(h) is applicable only in relation to Notes specified in the applicable Final Terms as being class G mezzanine (“**Class G Mezzanine Notes**”). The Class G Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Class H Mezzanine Notes and Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes or Class F Mezzanine Notes. In order to meet its payment obligations under the Class G Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap

Agreements. Therefore, the holders of Class G Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(i) **Class H Mezzanine Notes**

This Condition 3(i) is applicable only in relation to Notes specified in the applicable Final Terms as being class H mezzanine (“**Class H Mezzanine Notes**”). The Class H Mezzanine Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and senior to any Subordinated Notes (each as defined below) but junior to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes or Class G Mezzanine Notes. In order to meet its payment obligations under the Class H Mezzanine Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Class H Mezzanine Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

(j) **Subordinated Notes**

This Condition 3(j) is applicable only in relation to Notes specified in the applicable Final Terms as being subordinated (“**Subordinated Notes**”). The Subordinated Notes and Coupons are direct, general, unconditional, secured limited recourse obligations of the Issuer and rank *pari passu* without any preference among themselves and subordinate to any Senior Notes, Class A Mezzanine Notes, Class B Mezzanine Notes, Class C Mezzanine Notes, Class D Mezzanine Notes, Class E Mezzanine Notes, Class F Mezzanine Notes, Class G Mezzanine Notes and Class H Mezzanine Notes. In order to meet its payment obligations under the Subordinated Notes and Coupons, the Issuer must rely solely upon payments received out of the Charged Assets and/or any Swap Agreements. Therefore, the holders of Subordinated Notes and Coupons must rely on the proceeds of such payments to be applied by the Issuer in accordance with (and subject to the priority of payments described in) Condition 4.

4. **Security**

(a) **Security**

Unless otherwise specified in a Supplemental Trust Deed with respect to a Series, the obligations of the Issuer to the Secured Parties (as defined in the Master Trust Deed) are secured by the following security interests (subject as provided below, the “**General Security**”) granted in favour of the Trustee:

(A) pursuant to the Master Trust Deed:

- (i) a first fixed charge and assignment of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under the Custody Account and all Underlying Bonds and other securities (if any) now or at any time hereafter standing to the credit thereof;
- (ii) a first fixed charge and assignment of all of the Issuer’s right, title, interest and benefit, present and future, in, to and under all rights, moneys, powers, securities and property whatsoever, which may from time to time and at any time be distributed or derived from or accrue on or relate to, the Underlying Bonds and/or the Custody Account in any way whatsoever, including, without limitation, all rights to the delivery thereof or to an equivalent number or nominal value thereof as against any applicable clearing system or the operator thereof or as against any bank, broker or other intermediary and all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder and also including, without limitation, all rights to serve notices and/or make demands and/or otherwise act thereunder

and pursuant thereto and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

- (iii) a first fixed charge and assignment of all of the Issuer's right, title, interest and benefit, present and future, in, to and under the Cash Account and all monies now or at any time hereafter standing to the credit thereof and all entitlements to interest and other rights and benefits accruing thereto or arising in connection therewith;
 - (iv) a first fixed charge and assignment of all of the Issuer's right, title, interest and benefit, present and future in, to and under the Programme Documents (other than the Trust Deed) and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party pursuant to the provisions of the Programme Documents (including, for the avoidance of doubt, any agreement entered into by the Issuer as a replacement of any of the above agreements upon the termination of such agreement), including all rights to receive payment of any amounts payable or which may become payable or be distributed to the Issuer thereunder and all payments received by the Issuer thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
 - (v) a first floating charge and assignment of the whole of the Issuer's undertaking and all its property and assets, whatsoever and wheresoever located, present and future to the extent such undertaking, property and assets are not effectively charged by way of fixed charge or otherwise effectively assigned by way of security pursuant to paragraphs (i) to (iv) (inclusive) above or pursuant to any Supplemental Trust Deed; and
- (B) pursuant to the Belgian law pledge agreement originally made on 21 September 2006 and amended on 22 October 2007 between the Issuer as Pledgor, the Trustee as Pledgee, the Custodian and the Portfolio Manager (the "**Pledge Agreement**"):
- (i) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all the Issuer's present and future claims by reason of funds on the Cash Account;
 - (ii) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all securities which are at present or will in the future be posted to the Custody Account;
 - (iii) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all present and future rights (including, but not limited to rights for payment of dividends, interest, principal) attaching to, and all monies payable in respect of, or derived from, the securities referred to in (ii) above;
 - (iv) a first ranking pledge (*pand in eerste rang / gage de premier rang*) over all rights, benefits and proceeds coming in substitution of the securities referred to in (ii) above whether by way of redemption, substitution, real subrogation, conversion, split, reverse split or otherwise and including any money received from the sale of subscription rights or other rights attached to these securities as well as all securities the Issuer acquires as a result of a merger, splitting, amalgamation, contribution of a complete entity or business division in respect of an issuer of securities in the Custody Account.

The Trustee has agreed to act as representative of the Noteholders and the other Secured Parties with respect to the Pledge Agreement for the purposes of Article 5 of the Belgian Financial Collateral Act of 15 December 2004.

The assets described above are together referred to herein as the “**General Charged Assets**”.

The General Charged Assets in respect of the Notes of any Series shall also constitute the General Charged Assets in respect of each other Series of Notes of the Issuer which are outstanding. Consequently, the Trustee shall hold the General Security for the benefit of, inter alios, the Noteholders of any Series and the holders of the Notes of each other Series which are outstanding.

The Supplemental Trust Deed relating to a Series (if any) may provide for additional security (“**Additional Security**”) to be granted by the Issuer over such further assets or property of the Issuer as may be specified in the relevant Supplemental Trust Deed to secure its obligations with respect to the Notes of the relevant Series (and not in respect of Notes of any other Series). Any such assets or property the subject of such Additional Security are referred to herein as the “**Additional Charged Assets**” in respect of the Notes of the relevant Series and, together with the General Charged Assets, as the “**Charged Assets**” in respect of the Notes of the relevant Series. The General Security together with the Additional Security in respect of the Notes of a Series (if any) are referred to together as the “**Security**” in respect of the Notes of that Series.

(b) **Application of Proceeds**

The Master Trust Deed requires that the net proceeds of the General Security, upon realisation thereof, be applied as set out below:

- (i) first, to pay on a *pro rata* and *pari passu* basis, any remuneration then due to any receiver and all amounts due in respect of legal fees and other costs, charges, liabilities, losses, damages, proceedings, claims and demands then incurred by any receiver together with interest thereon and to pay the fees, costs, expenses and liabilities due to the Trustee;
- (ii) second, to pay any due but unpaid Administrative Expenses (as defined in the Master Trust Deed) in relation to each item thereof, on a *pro rata* and *pari passu* basis;
- (iii) third, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Senior Notes;
- (iv) fourth, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Notes of each Series of Senior Notes;
- (v) fifth, to pay, on a *pro rata* and *pari passu* basis, any amounts due and payable to each Swap Counterparty, other than any Swap Subordinated Amounts (as defined in the Master Trust Deed);
- (vi) sixth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class A Mezzanine Notes;
- (vii) seventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class A Mezzanine Notes;
- (viii) eighth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class B Mezzanine Notes;
- (ix) ninth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class B Mezzanine Notes;
- (x) tenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class C Mezzanine Notes;

- (xi) eleventh, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class C Mezzanine Notes;
- (xii) twelfth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class D Mezzanine Notes;
- (xiii) thirteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class D Mezzanine Notes;
- (xiv) fourteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class E Mezzanine Notes;
- (xv) fifteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class E Mezzanine Notes;
- (xvi) sixteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class F Mezzanine Notes;
- (xvii) seventeenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class F Mezzanine Notes;
- (xviii) eighteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class G Mezzanine Notes;
- (xix) nineteenth, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class G Mezzanine Notes;
- (xx) twentieth, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Class H Mezzanine Notes;
- (xxi) twenty-first, to pay, on a *pro rata* and *pari passu* basis, amounts of principal due thereon until redemption in full of the Notes of each Series of Class H Mezzanine Notes;
- (xxii) twenty-second, to pay, on a *pro rata* and *pari passu* basis, amounts of interest then due to the Noteholders of each Series of Subordinated Notes;
- (xxiii) twenty-third, to pay, on a *pro rata* and *pari passu* basis, all amounts of principal due thereon until redemption in full of the Notes of each Series of Subordinated Notes;
- (xxiv) twenty-fourth, to pay, on a *pro rata* and *pari passu* basis, any other amounts due to any Secured Party under or in connection with the Programme Documents, other than any Swap Subordinated Amounts;
- (xxv) twenty-fifth, to pay, on a *pro rata* and *pari passu* basis, any amounts due and payable to each Swap Counterparty in respect of any Swap Subordinated Amounts; and
- (xxvi) twenty-sixth, to pay the balance (if any) to the Issuer.

The net proceeds of any Additional Security in respect of the Notes of any Series, upon realisation thereof, shall be applied in accordance with the order of priorities set out in the relevant Supplemental Trust Deed.

(c) **Realisation of Security**

In the event of any of the Security becoming enforceable (as described below), the Trustee may at its discretion and:

- (i) if requested in writing by the holders of at least one-fifth in aggregate principal amount of the Notes of all Series then outstanding (as defined in the Trust Deed); or

- (ii) if directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of all Series,

(whichever shall be the first request or direction to be received by the Trustee) shall in each such case, subject to the Trustee first being indemnified to its satisfaction, enforce the Security in accordance with the Trust Deed, but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or Couponholders and provided that the Trustee shall not be required to take any action that would involve any personal liability or expense without first being indemnified to its satisfaction.

The General Security shall become enforceable upon the occurrence of an Event of Default (described in Condition 9). Any Additional Security shall become enforceable in the circumstances provided in the relevant Supplemental Trust Deed.

(d) **Shortfall after Application of Proceeds**

The Issuer may not have sufficient funds to make all payments due in respect of the Notes and (if applicable) Coupons.

If the net proceeds of the Security upon realisation and application thereof in accordance with this Condition 4 and the Trust Deed are not sufficient to make all payments due in respect of the Notes and Coupons (if any), the obligations of the Issuer in respect of the Notes and Coupons (if any) will be limited to such net proceeds and no other assets of the Issuer will be available for any further payments in respect of the Notes and Coupons (if any). Claims in respect of any difference between the amount of the net proceeds of the Security after enforcement thereof and the amount which would otherwise have been payable under the Notes and Coupons (if any) (a “**shortfall**”) shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default. Any such shortfall shall be borne by the Noteholders and Couponholders on a pro rata basis. In such circumstances the Noteholders will not have any right to take any further action against the Issuer in respect of the shortfall.

5. **Restrictions**

So long as any of the Notes remain outstanding, the Issuer will not, without the consent of the Trustee, except as contemplated by these Conditions and the Programme Documents, incur any other indebtedness for borrowed moneys, engage in any business, declare any dividends, have any employees or have any subsidiaries.

6. **Interest**

(a) **Interest Rate and accrual**

If stated in the Final Terms to bear interest, each Note bears interest on its principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate (which may be a specified rate or rates (a “**Fixed Rate**”) or may be determined by means of a formula or a series of formulae or may be based on an Index Rate in the manner specified in the Supplemental Trust Deed (a “**Floating Rate**”), which may be different for different Interest Accrual Periods, or a combination thereof payable in the Relevant Currency in arrear (unless otherwise stated in the Supplemental Trust Deed) on each Interest Payment Date specified in the Final Terms.

Interest will cease to accrue on each Note on the Interest Cessation Date (as defined below) unless, upon due presentation, payment of the full amount of principal due on such due date for redemption is not made, in which event interest will continue to accrue on the unpaid amount of principal (as well after as before judgment) until the Relevant Date (as defined below) at the Interest Rate determined by the Calculation Agent in the manner provided in this Condition.

(b) **Business Day Conventions**

If any date referred to in these Conditions which is specified in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified in the relevant Final Terms is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

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

If the Interest Rate is specified as being Floating Rate in the Final Terms, the Interest Rate for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for the Floating Rate is a Screen Page, subject as provided below, the Interest Rate shall be:
 - (A) the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - (B) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page;
 - (C) in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date;
- (ii) if the Primary Source for the Floating Rate is Reference Banks or if subparagraph 6(c)(i)(I) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if subparagraph 6(c)(i)(II) above applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (iii) if the Primary Source for the Floating Rate is expressed to be the ISDA Rate, it shall be calculated in accordance with the definition of ISDA Rate set out below;
- (iv) if paragraph 6(c)(ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is Euro, in Europe as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the

Specified Duration to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in such Principal Financial Centre the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum and/or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) **Interest Rate on Zero Coupon Notes**

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

(e) **Margin, Maximum/Minimum Interest Rates and Rounding:**

- (i) If any Margin is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with 6(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate is specified in the Final Terms, then any Interest Rate shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means, with respect to any currency, the lowest amount of such currency which is available as legal tender in the country of such currency.

(f) **Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) **Determination and Publication of Interest Rates and Interest Amounts**

As soon as practicable after the Relevant Time on each Interest Determination Date, the Calculation Agent will determine the Interest Rate and calculate the amount of interest payable (the “Interest Amounts”) in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Paying Agent, each of the Paying Agents, the Noteholders, the relevant Dealer (if such Dealer is not the Calculation Agent), any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, for so long as the Notes are listed on a stock exchange and the rules of such stock

exchange require, such stock exchange, as soon as possible after their determination but in no event later than (except in the case of notices to the Noteholders) the commencement of the relevant Interest Period, if determined prior to such time. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no notification of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate, Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Noteholders.

(h) ***Determination or Calculation by Trustee***

If the Calculation Agent fails at any time for any reason to establish the Interest Rate for an Interest Accrual Period or the Interest Amount or, pursuant to Condition 7(m), any Redemption Amount, Optional Redemption Amount or Early Redemption Amount (each as defined in Condition 6(i) below) or to comply with any other requirement, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(i) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in each of London, Brussels and Dublin and are open for general business (including dealing in foreign exchange and foreign currency deposits).

“Clearing System” means each of Clearstream Banking, société anonyme, Euroclear Bank S.A./N.V., as operator of the Euroclear System, or such other clearing system specified as the Clearing System for delivery of Underlying Bonds and/or Additional Charged Assets in the relevant Supplemental Trust Deed;

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the **“Calculation Period”**):

- (a) if **“1/1”** is specified, 1;
- (b) if **“Actual/Actual”**, **“Actual/Actual (ISDA)”**, **“Act/Act”** or **“Act/Act (ISDA)”** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **“Actual/Actual (ICMA)”** or **“Act/Act (ICMA)”** is specified, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the **“ICMA Rule Book”**), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non US dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a

coupon period corresponding to the Calculation Period in respect of which payment is being made;

- (d) if “**Actual/365 (Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (e) if “**Actual/360**”, “**Act/360**” or “**A/360**” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (f) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (g) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (h) if “**30E/360 (ISDA)**” is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

“**Early Redemption Amount**” means in respect of each Note in circumstances where such Notes are redeemed early pursuant to Conditions 7(b) or (c), the outstanding principal amount of each Note, unless otherwise specified in the Final Terms;

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**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 Final Terms.

“**Interest Commencement Date**” means the date of the issue of the Notes (the “**Issue Date**”) or such other date as may be specified in the Final Terms.

“**Interest Determination Date**” means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is sterling or (ii) the day falling two Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the Final Terms.

“Interest Rate” means the rate of interest payable from time to time in respect of this Note and which is either specified in, or calculated in accordance with the provisions of, the Final Terms.

“ISDA Rate” means, in respect of any Interest Accrual Period, the rate per annum that, in the determination of the Calculation Agent, would be the Floating Rate payable under an interest rate exchange agreement incorporating the ISDA Definitions. **“ISDA Definitions”** means the 2000 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.

“Optional Redemption Amount” means in respect of each Note in circumstances where such Note is redeemed early pursuant to Conditions 7(f) or (g), the outstanding principal amount of such Note or if otherwise provided, the amount specified in the relevant Final Terms.

“Redemption Amount” means in respect of each Note, the amount specified in the relevant Final Terms or in the absence of such specification, its outstanding principal amount.

“Reference Banks” means the institutions specified in the Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark, shall be Europe).

“Register” means the register maintained by the Registrar.

“Relevant Business Day” means:

- (a) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in Dublin, London and the principal financial centre for that currency;
- (b) in the case of euro, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (or any successor thereto) (the **“TARGET System”**) is operating (a **“TARGET Business Day”**); and/or
- (c) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the specified currency in the specified financial centre(s) or, if no currency is specified, generally in each of the financial centres so specified.

“Relevant Currency” means the currency specified as such in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

“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 date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Individual Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of Euro shall be Europe) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Final Terms, or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe as a Relevant Financial Centre, Central European time.

“Representative Amount” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Monitor Money Rates Service (“**Reuters**”) and the Bridge Telerate Service (“**Telerate**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Specified Duration” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(b).

(j) ***Calculation Agent and Reference Banks***

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and the Issuer shall procure that there shall at all times be one or more Calculation Agents in either case if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate any Interest Amount, the Redemption Amount or any Optional Redemption Amount or Early Redemption Amount or to comply with any other requirements, the Issuer shall (with the prior written approval of the Trustee) appoint the London office of a leading bank engaged in the London interbank market (or, if appropriate, money, swap or over-the-counter index options market) or other market that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

Whenever the Calculation Agent is required to act or exercise judgment, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to these Conditions, notify the Issuer and the Noteholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Noteholders in respect of its duties as Calculation Agent in connection with any Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the

Calculation Agent pursuant to this Schedule shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

7. **Redemption, Purchase and Options**

(a) ***Final Redemption***

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date specified in the relevant Final Terms. Notes will only be redeemable or repayable in accordance with the provisions of this Condition 7 or Condition 9.

(b) ***Mandatory Redemption***

If any of the Underlying Bonds or Additional Charged Assets purchased with the proceeds of issue of a Series of Notes (as specified in the relevant Final Terms or Supplemental Trust Deed) becomes repayable prior to its stated date of maturity for whatever reason (unless the Trustee otherwise agrees in writing), or there is a payment default (regardless of any actual or implied grace period which may be applicable thereto) in respect of any of the Underlying Bonds or Additional Charged Assets, all such Underlying Bonds or Additional Charged Assets (which may or may not form obligations of the same person as those which have become repayable or in respect of which there has been such a payment default) shall be deemed to have become immediately repayable (the "**Repayable Assets**"). The Issuer shall then forthwith give not more than 28 nor less than 7 days' notice to the Trustee and the Noteholders in accordance with Condition 13 and upon expiry of such notice shall redeem each Note of the relevant Series in whole or, as the case may be, in part on a *pro rata* basis in a proportion of its Redemption Amount equal to the proportion that the principal amount of the Repayable Assets which are the subject of such notice bears to the principal amount of all such Underlying Bonds or Additional Charged Assets. Interest shall continue to accrue on the part of the principal amount of Notes so redeemed until payment thereof has been made to the Trustee and notice is given in accordance with Condition 13 that such amount is available for payment. Failure to make any payment due in respect of a mandatory redemption under this Condition 7(b) of part of the principal amount of the Notes or interest thereon shall not constitute an Event of Default under the Notes.

In the event of such redemption and the Security becoming enforceable the Trustee may take such action as is provided in Condition 4(c).

(c) ***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) of any Series, would be required by applicable law to withhold or account for tax or would suffer withholding tax on payments due to it in respect of the Underlying Bonds or Additional Charged Assets (if any) acquired by it with the proceeds of issue of the Notes of the relevant Series, then, subject to (B) below, the Issuer shall so inform the Trustee in writing, and shall be entitled to arrange the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee as the principal obligor in respect of such Series or to change (to the satisfaction of the Trustee) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee. If the Issuer elects not to arrange such change or substitution before the next payment is due in respect of the relevant Notes, the Issuer shall at its discretion either:

- (A) forthwith give not more than 28 nor less than 7 days' notice to the Trustee and the relevant Noteholders in accordance with Condition 13, and upon expiry of such notice the Issuer shall provided that the Trustee is satisfied that it has at its disposal funds for such purpose redeem all but not some only of the relevant Notes at their Early 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 of the relevant Series that the Notes not be so redeemed or an Extraordinary Resolution of the Noteholders of the relevant Series otherwise directs; or
 - (B) make such payment, increasing it to the extent necessary to ensure that after the withholding or accounting for tax, such amount is received by Noteholders as would have been received by them had no such withholding or accounting been required.
- (ii) If the Issuer satisfies the Trustee that the performance of its obligations under the Notes of any Series or that any arrangements made to hedge its position under the Notes of any Series (including, for the avoidance of doubt, purchasing or holding any Underlying Bonds or Additional Charged Assets acquired with the proceeds of issue of such 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 relevant Noteholders and, upon expiry of such notice, shall redeem all but not some only of the Notes of such Series at their Early 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 of such Series that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders of such Series otherwise directs.
- (iii) If any related Swap Agreement (as specified in the Final Terms) with respect to a Series terminates prior to its scheduled termination date then the Issuer shall forthwith give not more than 28 nor less than 7 days' notice to the Noteholders of the relevant Series and, upon expiry of such notice, shall redeem all but not some only of the Notes of such Series at their Early 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 of the relevant Series that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders of the relevant Series otherwise directs.

Notwithstanding the foregoing, if any of the taxes referred to in paragraph 7(c)(i) above arises (i) by reason of any Noteholder's connection with the country of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any Redemption Amount or interest in respect thereof; or (ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder and all other Noteholders shall receive the due amounts payable to them. Any such deduction shall not be an Event of Default under the Notes.

In the event of such redemption and the Security constituted by the Trust Deed becoming enforceable, the Trustee may take such action as is provided in Condition 4(e).

(d) **Purchases**

If either (i) the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Underlying Bonds or relevant Additional Charged Assets and for the purchase of any Notes, which transaction will leave the Issuer with no net liabilities in respect thereof or (ii) the Trustee has otherwise agreed in writing, the Issuer may purchase Notes in the open market or otherwise at any price subject to and in compliance with any applicable law and stock exchange regulations.

(e) **Early Redemption of Zero Coupon Notes**

(i) The Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7(b) or 7(c) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of paragraph 7(e)(iii) below, the “**Amortised Face Amount**” of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.

(iii) If the Redemption Amount or Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(b) or 7(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Redemption Amount or Early Redemption Amount, as the case may be, due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in paragraph 7(e)(ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 6(d).

(f) **Redemption at the Option of the Issuer**

If the Final Terms specifies that the Notes are Callable Notes, the Issuer may, by giving irrevocable notice to the Noteholders (in accordance with Condition 13) falling within the Issuer’s Option Period, which shall not be a period shorter than 7 days, redeem, or exercise any Issuer’s option in relation to all or, if so provided, some of such Notes at the Issuer’s Optional Redemption Amount and on the Optional Redemption Date(s) so provided. Any such redemption of Notes shall be at the Optional Redemption Amount together with interest accrued (if any) to the date fixed for redemption as provided in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer’s option shall be exercised, on the date specified in such notice in accordance with this Condition.

(g) ***Redemption at the Option of Noteholders***

If the Final Terms specifies that the Notes are Puttable Notes, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Noteholder's Optional Redemption Date(s) so provided at Noteholders' Optional Redemption Amount (which may, without limitation, be at its outstanding principal amount together with interest accrued (if any) to the date fixed for redemption or be an amount equal to the realisable value of the Relevant Charged Assets (as defined below) (less any costs and expenses associated with the realisation of such Relevant Charged Assets) on the date of receipt of the relevant option notice or on a date as soon as practicable thereafter, as determined by the Issuer).

If the Final Terms so provides, and, if so, in the circumstances specified therein, the Issuer's obligation to pay the Noteholder's Optional Redemption Amount and interest accrued to the date of redemption may be satisfied by the Issuer delivering the Underlying Bonds acquired by the Issuer with the proceeds of issue of the relevant Notes or other relevant Additional Charged Assets forming part of the Charged Assets for that Series. The amount of such Underlying Bonds or other relevant Additional Charged Assets to be delivered (the "**Relevant Charged Assets**") shall be the corresponding proportion of all such Underlying Bonds or other relevant Additional Charged Assets (rounded down to the nearest denomination) as the Notes of that Series held by that Noteholder bear to the then outstanding principal amount of the Notes of that Series. Delivery shall be made in the manner set out in the relevant Final Terms.

The relevant Noteholder's rights in respect of the exercise of any option shall be limited to the Relevant Charged Assets and Condition 3 shall apply accordingly.

To exercise such option or any other Noteholders' option which may be set out in the Final Terms the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period specified in the Final Terms, which shall not be a period shorter than 15 Business Days. No Note so deposited and option so exercised may be withdrawn without the prior consent of the Issuer (except that such Note will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied).

(h) ***Cancellation***

All Notes redeemed by the Issuer, and all Notes purchased by or on behalf of the Issuer which the Issuer elects to surrender (together with all unmatured Coupons and unexchanged Talons appertaining thereto) for cancellation, will be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and, if cancelled (in the case of purchased Notes), may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes, Coupons and Talons shall be discharged.

(i) ***Determination and Publication of Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts***

On the Maturity Date and upon the occurrence of any early or optional redemption where the relevant Redemption Amount, Early Redemption Amount or Optional Redemption Amount is not the principal amount of the Note, the Calculation Agent shall make any determination or calculation required by the Conditions, calculate the Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, and cause the same to be notified to the Issuer, the Trustee, the Principal Paying Agent, each of the Paying Agents, the Noteholders, and, for so long as the Notes are listed on a stock exchange and the rules of such stock exchange

require, such stock exchange, as soon as possible after their determination. The determination of each Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, and the making of each such determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

8. **Payments and Talons**

(a) ***Bearer Notes***

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal) or Coupons (in the case of interest), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on or at the option of the holder, by transfer to an account denominated in that currency with a bank in the principal financial centre of the country of that currency (other than the United States) provided that (i) in the case of Euro, the transfer may be to, or the cheque drawn on, a Euro account with a bank in a city in which banks have access to the TARGET System and (ii) in the case of yen, the transfer will be to a non-resident yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

(b) ***Registered Notes***

(i) Payments of principal in respect of Registered Notes will be made against presentation and surrender of the relevant Individual Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 8(b)(ii).

(ii) Interest on Registered Notes will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 8(a), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) ***Payments subject to law etc.***

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) ***Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such other offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(e) **Appointment of Agents**

The Paying Agents, the Registrar, the Transfer Agents, the Administration Agent, the Custodian, the Calculation Agent and their respective specified offices are set out in the Agency Agreement. The Paying Agents, the Registrar, the Transfer Agent, the Administration Agent, the Custodian and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Paying Agent, the Registrar, the Transfer Agent, the Administration Agent, the Custodian, or the Calculation Agent and to appoint additional or other Paying Agents, Registrar, Transfer Agent, Administration Agent or Calculation Agent (if applicable), provided that it will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Custodian, (v) an Administration Agent, (vi) a Calculation Agent where the Conditions so require one, (vii) so long as the Notes are listed on the Irish Stock Exchange, an Irish Paying Agent and (viii) such other agent as may be required by the rules of any stock exchange on which the Notes may be listed and a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 8(d) above.

Notice of any such change or any change of any specified office will be given promptly to the Noteholders in accordance with Condition 13.

(f) **Unmatured Coupons and Unexchanged Talons**

- (i) Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no coupon shall be delivered in respect of such Talon.
- (iii) Where any Note is presented for redemption without all unmatured Coupons relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (iv) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date or date of redemption shall be payable on redemption of such Note against presentation thereof.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet).

(h) **Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to

any interest or other sum in respect of such postponed payment. In this paragraph, “**Business Day**” means a day which is a Local Business Day and a Payment Business Day.

“**Local Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation of any Note or Coupon.

“**Payment Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the Payment Business Day Centre or Centres specified in the Final Terms.

9. **Enforcement**

(a) ***Events of Default and Acceleration***

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of Notes then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall give notice (subject in each case to being indemnified to its satisfaction) to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Redemption Amount, together with accrued interest (if any) thereon and the General Security shall become enforceable, as provided in the Trust Deed, upon the occurrence of an Event of Default. An Event of Default is defined in the Master Trust Deed as the occurrence of any of the following events:

- (i) the Issuer defaults in the payment of the Redemption Amount, Early 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, Early Redemption Amount or the Optional Redemption Amount, as the case may be, due in respect of the Notes of any Series, or any of them; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes of any Series or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or if the Issuer is subject to any insolvency, bankruptcy, compulsory liquidation, examination, controlled management procedures or suspension of payments; or
- (iv) if the Issuer is deemed to be unable to pay its debts as and when they fall due within the meaning of Section 214 of the Companies Act, 1963 of Ireland (as amended) or Section 2(3) of the Companies (Amendment) Act, 1990 of Ireland (as amended).

(b) ***Enforcement***

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding, and (ii) it shall have been indemnified to its satisfaction.

(c) **Non Petition and Limited Recourse**

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or Couponholders and no Noteholder or Couponholder 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 time and such failure or neglect is continuing.

The Trustee, the Agents (as defined in the Agency Agreement), the Portfolio Manager, the Corporate Services Provider and the Noteholders and Couponholders shall have recourse only to the Charged Assets for satisfaction and discharge of the Issuer's obligations and liabilities arising under or in connection with the Notes or the Programme Documents and, the Trustee having realised the same and distributed the net proceeds in accordance with Condition 4, the Trustee, any Agent, the Portfolio Manager, the Corporate Services Provider and the Noteholders and Couponholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, any Agent, the Portfolio Manager, the Corporate Services Provider or any Noteholder or Couponholder, nor any other party to a Programme Document shall be entitled to petition or take any other step for the winding-up of, or take any steps to institute insolvency proceedings in relation to, the Issuer, nor, save as expressly provided in any Supplemental Trust Deed, shall any of them have any claim in respect of any sum arising in respect of the Additional Charged Assets for any Series.

10. **Prescription**

Claims against the Issuer for payment in respect of Notes and Coupons shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

11. **Agents**

In acting under the Agency Agreement and the Trust Deed, the Agents which are party to the Agency Agreement act solely as agents of the Issuer unless an Event of Default or Potential Event of Default (as defined in the Trust Deed occurs), when such Agents will, if required to do so, act as agents of the Trustee, and will not assume any obligation or relationship of agency or trust to or with the Noteholders or the Couponholders. The Issuer has agreed in the Trust Deed to perform and observe the obligations imposed upon it under the Agency Agreement and the Trust Deed. Such agreements may be amended by the parties thereto with the approval of the Trustee if, in the opinion of the Trustee, the amendment is not materially prejudicial to the interests of the Noteholders. The Issuer may not, without the consent of the Trustee, replace any Agent.

12. **Replacement of Notes, Coupons and Talons**

If a Note, Individual Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Principal Paying Agent in Dublin (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Individual Certificates) in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Individual Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Individual Certificates, Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. **Notices**

Notices to holders of Registered Notes will be mailed to them at their respective addresses in the Register and deemed to have been given on the next weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to holders of Notes represented by a Global Note or Global Certificate, as applicable, will be delivered to the Common Depositary for communication by it to Euroclear and/or Clearstream, Luxembourg or other clearing system for communication by them to their participants and for communication by such participants to entitled accountholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg as aforesaid shall be deemed to have been given on the day on which it is delivered to the Common Depositary. In addition, if the Notes are not represented by a Global Note or Global Certificate, or if the rules of the Irish Stock Exchange or any other stock exchange or market on which the relevant Notes are listed or admitted to trading so require, all notices to holders of Notes will be published in a daily newspaper with circulation in Ireland (expected to be The Irish Times). If in the opinion of the Trustee, any such publication is not practicable, notice shall be validly given if published in another leading English language newspaper with general circulation in Europe. Any such notice to holders of Bearer Notes and Registered Notes shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

14. **Meetings of Noteholders; Modification; Waiver; etc.**

(a) ***Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the terms and conditions of the Notes. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. 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, one or more persons being or representing Noteholders, whatever the principal amount of the Notes so held or represented, except that, *inter alia*, the terms of the Security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons (except where such modification is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders), or the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, may be modified only by Extraordinary Resolutions passed at a meeting the quorum at which shall be one or more persons holding or representing not less than two-thirds, or at any such adjourned 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 will be binding on all Noteholders, whether or not they were present at such meeting, and on the holders of Coupons. The Trustee, without consulting the Noteholders or holders of Coupons, may determine that an event which would otherwise be an Event of Default shall not be so treated in accordance with Condition 14(b) below.

(b) ***Modification and Waiver***

The Trustee may agree, without the consent of the Noteholders or holders of Coupons, to (i) any modification of any of the provisions of the Trust Deed or any other Programme Document (as defined in the Master Trust Deed) which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as provided in the Trust Deed), waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any other Programme Document (as defined in the Master Trust Deed) which, in any such case, is not in the opinion of the Trustee materially

prejudicial to the interests of the Noteholders of any Series. Any such determination, modification, authorisation or waiver shall be binding on the Noteholders and holders of Coupons, and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter.

(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, the Trustee may agree to the substitution of any other company in place of the Issuer as principal debtor under the Trust Deed and the Notes and in place of the Issuer under any Related Agreement (as defined in the Trust Deed) in respect of any one or more Series. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed and/or any Related Agreement provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Series. Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, the Trustee may also agree to the change of the branch or office of the Custodian. Any such substitution may be effected in respect of any one or more Series of Notes.

(d) **Entitlement of the Trustee**

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) under these Conditions or the Trust Deed the Trustee shall have regard to the interests of the Noteholders of each Series as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders 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 Noteholders or Couponholders 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. Save as otherwise provided, the Trustee shall not have regard to the interests of any Secured Party other than the Noteholders except to apply the proceeds of enforcement of the Security in accordance with the order of priority set out in the Master Trust Deed and Condition 4(b).

(e) **Meetings**

The Trust Deed provides *inter alia* that (a) except where the Conditions specifically state that one meeting of Noteholders of more than one Series will be held, separate meetings of Noteholders of each separate Series will normally be held although the Trustee may from time to time determine that meetings of Noteholders of each separate Series issued by the Issuer 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 holders of Notes of the Series concerned; (c) a resolution which in the opinion of the Trustee affects the holders of more than one Series of Notes issued by the Issuer but does not give rise to a conflict of interest between the holders of the other Series of Notes concerned shall be deemed to have been duly passed if passed at a single meeting of the holders of Notes of all 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 integral currency limit of the specified currency of the Notes; (d) a resolution that in the opinion of the Trustee affects the holders of more than one Series of Notes and gives or may give rise to a conflict of interest between the holders of the other Series of Notes concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the holders of the relevant Series of Notes, except where the Conditions specifically state that one meeting of Noteholders of more than one Series will be held; and (e) if the Issuer

proposes to exchange part of an existing Series of Notes for Notes of a new Series, only the Notes to be exchanged shall be deemed to be Notes of the relevant Series.

(f) **Charged Assets**

Except where the Conditions or the Programme Documents expressly so provide, the Issuer will not exercise any rights or take any action in its capacity as holder of the Charged Assets unless directed to do so by the Trustee or by an Extraordinary Resolution of the Noteholders. If such direction is given, the Issuer will act only in accordance with such directions.

15. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Underlying Bonds and any relevant Additional Charged Assets, for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security. The Trustee is not obliged to take any action under the Trust Deed unless indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, and/or any issuer or guarantor (where applicable) of any of the Underlying Bonds and any relevant Additional Charged Assets, without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Underlying Bonds and any relevant Additional Charged Assets, from any obligation to insure or to procure the insuring of the Underlying Bonds and any relevant Additional Charged Assets and from any claim arising from the fact that the Underlying Bonds and any relevant Additional Charged Assets will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of its obligations to the Issuer and, in particular, shall not have any responsibility for the administration, management or operation of the Charged Assets.

The Trust Deed provides that in acting as Trustee under the Trust Deed, the Trustee shall not assume any duty or responsibility to the Custodian or the Principal Paying Agent (other than to pay to any such persons any monies received and repayable to it and to act in accordance with the provisions of Condition 4(b)) and shall have regard solely to the interests of the Noteholders.

16. **Further Issues**

Subject to Condition 5 and the provisions of the Master Trust Deed, the Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further Notes either having the same terms and conditions as the Notes of an existing Series in all respects or in all respects except for the Issue Date, the Issue Price and/or the Interest Commencement Date and so that such further issue shall be consolidated and form a single series with the Notes of such Series and shall be secured on the Charged Assets with respect to such Series or having different terms and conditions and not being consolidated and forming a single series with the Notes of any existing Series.

17. **Taxation**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Registrar or any Transfer Agent or any Paying Agent is required by applicable law to make any such payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. Subject to Condition 7(c)(i), in that event the Issuer or such Paying Agent, Registrar or Transfer Agent (as the case may be) shall 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, subject to any election it may make pursuant to Condition 7(c)(i)(B), nor any Paying Agent, Registrar or Transfer Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

18. **Governing Law**

The Notes, Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Ireland. The Issuer has in the Trust Deed submitted to the jurisdiction of the Irish courts for all purposes in connection with the Notes, the Coupons and the Talons.

FORM OF FINAL TERMS

Final Terms dated [●]

Nimrod Capital p.l.c.

(incorporated with limited liability in Ireland with registered number 426003)

[Title of relevant Tranche of Notes (specifying type and nominal amount of Notes) (the “Notes”)]

**issued pursuant to the
€40,000,000,000 Programme for the issue of Notes
arranged by**

KBC Bank NV

PART A CONTRACTUAL TERMS, LISTING AND RATING

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

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Base Prospectus dated [●] [and the supplemental Base Prospectus dated [●]]. This document constitutes Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus dated [●] [and the supplemental Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [●] [and the supplemental Base Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the supplemental Base Prospectuses dated [●] and [●]]. [The Base Prospectuses [and the supplemental Base Prospectuses] are available for viewing at the registered office of the Issuer and copies may be obtained from the registered office of the Issuer [to be completed.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing these Final Terms.]

[When completing these Final Terms or adding any other Final Terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

(A) The terms of the Notes are as follows:

- | | | |
|----|------------------------|-----------------------|
| 1. | Issuer: | Nimrod Capital p.l.c. |
| 2. | [(i)] Series No: | [●] - [●] |
| | [(ii)] Tranche Number: | [[●]] |

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]

- | | | |
|-------|---|---|
| (iii) | Status | [Senior/Class A Mezzanine/Class B Mezzanine/Class C Mezzanine/Class D Mezzanine/Class E Mezzanine/Class F Mezzanine/Class G Mezzanine/Class H Mezzanine/Subordinated] |
| (iv) | [Date [Board] approval for Issuance of Notes obtained: | [•]
<i>(N.B. Only relevant where Board (or similar) authorisation is required for particular Tranche of Notes)</i> |
| 3. | Specified Denomination(s): | [•] - See also the Tradeable Amount in Part B of these Final Terms |
| 4. | Relevant Currency (or Currencies in the case of Dual Currency Notes): | [•] |
| 5. | Principal Amount of: | |
| | [(i) Series: | [•] |
| | [(ii) Tranche:] | [[•]] |
| 6. | Issue Date: | [•] |
| 7. | Issue Price: | [•] per cent |
| 8. | Net Proceeds: | [•] |
| 9. | Maturity Date: | [•], [, subject to adjustment in accordance with the Business Day Convention] |
| 10. | Form of Notes: | [Bearer/Registered] |
| 11. | Interest Basis: | [Fixed Rate/Floating Rate/Zero Coupon] |
| 12. | Interest Commencement Date: | [•] |
| 13. | Interest Cessation Date: | [Specify Maturity Date/other] |
| 14. | Redemption Amount: | [Principal Amount/Specify Other] |
| 15. | Early Redemption Amount: | [Principal Amount/specify other early redemption amount] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|--|
| 16. | Interest Rate (including after Maturity Date): | [[•] per cent per annum/Floating Rate/Zero Coupon [other]] |
| 17. | Interest Payment Date(s):
and/or
Floating Interest Payment Dates: | [•]
[•] [subject to the Business Day Convention] |
| 18. | Interest Amount (Fixed Rate Notes): | [Specify amount of interest due in respect of each Specified Denomination on each Interest Payment Date] |

- | | | |
|-----|---|---|
| 19. | Broken Amount (Fixed Rate Notes): | [Specify amount of interest due in respect of each Specified Denomination for initial/final period(s)] |
| 20. | Primary Source for Floating Rate (Floating Rate Notes): | [Specify relevant screen page (e.g. Telerate/Reuters) or "Reference Banks" or "ISDA Rate"] |
| 21. | Benchmark (Floating Rate Notes): | [EURIBOR, LIBOR etc.] |
| 22. | Reference banks (Floating Rate Notes): | [Specify four] |
| 23. | Representative Amount: | [●] |
| 24. | Specified Duration: | [●] |
| 25. | Relevant Financial Centre (Floating Rate Notes): | [●] |
| 26. | Relevant Time (if applicable): | [●] |
| 27. | Margin (Floating Rate Notes): | [+/-] [●] per cent per annum |
| 28. | ISDA Rate (if applicable) | |
| | (i) Floating Rate Option: | [●] |
| | (ii) Designated Maturity: | [●] |
| | (iii) Reset Dates: | [●] |
| 29. | Interest Determination Date (if applicable): | [[●] Business Days in [specify city] prior to][the first day in each Interest Period/each Interest Payment Date] |
| 30. | Reset Date: | [●] |
| 31. | Interest Bearing Amount: | [Principal Amount/other] |
| 32. | Interest Period Date(s) (if applicable): | [Interest Payment Dates/other] |
| 33. | Minimum Interest Rate (if applicable): | [●] per cent. per annum |
| 34. | Maximum Interest Rate (if applicable): | [●] per cent. per annum |
| 35. | Reference Price (Zero Coupon Notes): | [●] |
| 36. | Amortisation Yield (Zero Coupon Notes): | [●] |
| 37. | Business Day Convention: | [Preceding/Following/Modified Following/Floating Rate] Business Day Convention] |
| 38. | Relevant Business Day: | [●] |
| 39. | Day Count Fraction: | [Actual/365, Actual/Actual, Actual/Actual-ICMA, Actual/365 (Fixed), Actual/360, 30/360, 360/360, Bond Basis, 30E/360, Eurobond Basis] |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---|---|
| 40. | Terms of redemption at the option of the Issuer or other Issuer's option (if applicable): | [●][including whether redeemable in part or in whole only - see Condition 7(f)] |
|-----|---|---|

41. Issuer's Option Period: [•]
42. Issuer's Optional Redemption Amount: [•]
43. Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable): [•] [including whether redemption may be satisfied by the Issuer delivering Underlying Bonds and/or other Additional Charged Assets and whether option available to all Noteholders or to any Dealer - see Condition 7(f)]
44. Noteholders' Option Period: [•]
45. Noteholders' Optional Redemption Amount: [•]
46. Redemption for Taxation Reasons permitted on days other than Interest Payment Dates: [Yes/No]
47. Unmatured Coupons to become void upon early redemption: Yes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

48. Clearing System (if applicable): [•]
49. Calculation Agent: [•] pursuant to [Agency Agreement]/[Other]
50. Permanent Global Note without the TEFRA legend: [•]
51. Exchange for Definitive Notes at the request of the holder at the expense of: [•]
52. Payment Business Day Centre (Condition 8(g)): [•]
53. Exchange:
- (a) Notes to be represented on issue by: [Temporary Global Note/Permanent Global Note/ Global Certificate/Individual Certificate]
- (b) Applicable TEFRA exemption: [C Rules/D Rules/not applicable]
- (c) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes: [Yes/No, if Yes specify Permanent Global/Bearer/ Registered and circumstances of exchange]
- (d) Permanent Global Note exchangeable for Definitive Bearer/ Registered Notes:
(specify only if different from "Summary of Provisions relating to Notes while in Global Form") [Yes/No, if Yes specify Bearer/ Registered and circumstances of exchange]
54. Additional Charged Assets: [No Additional Charged Assets /Additional Charged Assets, being – give brief description of Additional Charged Assets].

- | | | |
|-----|---|---|
| 55. | [Swap Agreement (if applicable):] | [Give date, termination date and nature of agreement and any other relevant items] |
| 56. | [Swap Counterparty:] | [Give name(s) and address(es) of swap counterparty] |
| 57. | [Security (order of priorities): | The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the Additional Security constituted by or pursuant to the Trust Deed [in the order of priority applicable to the General Security set out in the Master Trust Deed/in the following order of priority – <i>specify</i>]: |
| 58. | Details of any other additions or variations to the Conditions: | [●] |

DISTRIBUTION

- | | | |
|-----|---|--------------------------------------|
| 59. | Details of the Stabilising Manager(s) (if applicable): | [●] |
| 60. | Details of any additions or variations to the selling restrictions: | [●] |
| 61. | Details of any additions or variations to the Dealer Agreement: | [●] |
| 62. | Method of Issue: | [Individual Dealer/Syndicated Issue] |
| 63. | Dealers' commission (if applicable): | [●] |
| 64. | Net Price payable to the Issuer (Syndicated Issue): | [●] |
| 65. | Members of syndicate (Syndicated Issue): | [specify] |

[The following sections are customarily required for listed issues]

USE OF PROCEEDS

The net proceeds of the issue will amount to *[insert amount]* and will be used by the Issuer [to purchase the following Underlying Bonds *[describe the relevant Underlying Bonds]* and in meeting certain expenses and fees payable in connection with the operations of the Issuer and the issue of the Notes].

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the Final Terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €40,000,000,000 Programme for the issue of Notes of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.] None of the Trustee, Paying Agents, Administration Agent, Registrar, Transfer Agent, Calculation Agent, Arranger, Dealers or Portfolio Manager accept responsibility for the information contained in these Final Terms.

These Final Terms are hereby executed by or on behalf of the Issuer.

Nimrod Capital p.l.c.

By:
Authorised Signatory

**PART B
OTHER INFORMATION**

1 LISTING

- (i) Listing: [Irish Stock Exchange Limited/No]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●].

2 RATINGS

The Notes to be issued have not been rated:

3 RISK FACTORS

[Include any product specific risk factors which are not covered under "Risk Factors" in the Base Prospectus.]

4 [NOTIFICATION]

The [Irish Financial Services Regulatory Authority as a constituent part of the Central Bank and Financial Services Authority of Ireland], which is the Irish competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive].]

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

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

6 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: [specify] (See "Use of Proceeds and Expenses" wording in Base Prospectus.)]
- [(ii) Estimated net proceeds: [●] (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]
- [(iii) Estimated total expenses: [●] [Include breakdown of expenses] (Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

7 [Fixed Rate Notes only – YIELD]

- Indication of yield: [●]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8 OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

CUSIP Number: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [*Specify*]

9 GENERAL

The aggregate principal amount of Notes issued has been translated into euro at the rate of EUR/[•] [•], producing a sum of (for Notes not denominated in euro): [Not Applicable/EUR[•]]

Tradeable Amount: [•]

THE UNDERLYING BONDS AND THE UNDERLYING BOND ISSUER

The following summary of the Underlying Bond Issuer and the Underlying Bonds has been produced from the base prospectus of the Underlying Bond Issuer dated 22 October 2007 (the “**Underlying Bond Issuer Base Prospectus**”). The following information and any other information contained in this Base Prospectus relating to the Underlying Bond Issuer and the Underlying Bonds is qualified by the provisions of the Underlying Bond Issuer Base Prospectus. The Underlying Bond Issuer Base Prospectus does not form part of this Base Prospectus.

Underlying Bond Issuer	Fairport Capital Investments p.l.c.
Legal Form	Public Limited Company
Country of Incorporation	Ireland (Registered Number 426055)
Registered Office	4 th Floor, Hanover Building, Windmill Lane, Dublin 2
Nature of Business	The principal objects of the Underlying Bond Issuer are set out in clause 3 of its Memorandum of Association and are, inter alia, to issue, purchase, acquire, deal, trade, hold, manage or otherwise enter into an arrangement which constitutes any financial asset including, without limitation, shares, bonds, and other securities, all kinds of futures, options, swaps, derivatives and similar instruments, invoices and to raise, borrow and secure the payment of money by the creation and issue of notes, bonds, debentures, commercial paper, or other securities whether or not secured upon all or any of the Underlying Bond Issuer’s undertaking, assets, property and revenues.
Underlying Bonds	Debt securities issued from time to time by the Underlying Bond Issuer under its €40,000,000,000 Programme for the Issue of Notes as described in the Underlying Bond Issuer Base Prospectus.
Listing and Trading	The Underlying Bonds will be issued under the Underlying Bond Issuer’s €40,000,000,000 Programme for the Issue of Notes, which is described in the Underlying Bond Issuer Base Prospectus. The Underlying Bond Issuer Base Prospectus has been approved by IFSRA as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland. The Underlying Bond Issuer has applied to the Irish Stock Exchange for Underlying Bonds issued pursuant to the Underlying Bond Base Prospectus to be listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange.
Governing Law of the Underlying Bonds	Irish law.

TAXATION

The following is a general discussion of certain aspects of the anticipated Irish, Netherlands, Belgian and Luxembourg tax treatment of the Issuer and/or the holders of Notes. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Notes.

Prospective investors should consult their own professional advisers concerning the possible tax consequences of buying, holding or selling any Notes under the applicable laws of their country of citizenship, residence or domicile.

IRELAND

Taxation of the Issuer – Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent. in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade. However, section 110 of the Irish Taxes Consolidation Act of 1997 of Ireland, as amended (“**TCA 1997**”) provides for special treatment in relation to qualifying companies. A qualifying company means a company:

- (a) which is resident in Ireland;
- (b) which either acquires qualifying assets from a person, holds, manages, or holds and manages qualifying assets as a result of an arrangement with another person, or has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;
- (c) which carries on in Ireland a business of holding qualifying assets or managing qualifying assets or both;
- (d) which, apart from activities ancillary to that business, carries on no other activities;
- (e) which has notified an authorised officer of the Revenue Commissioners of Ireland (the “**Revenue Commissioners**”) in the prescribed format that it intends to be such a qualifying company; and
- (f) the market value of all qualifying assets held, managed or held and managed by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered into (which is itself a qualifying asset),

but a company shall not be a qualifying company if any transaction is carried out by it otherwise than by way of a bargain made at arms length apart from where that transaction is the payment of consideration for the use of principal (other than where that consideration is paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance).

A qualifying asset is a financial asset or an interest in a financial asset.

If a company is a qualifying company for the purpose of section 110 TCA 1997 (and it is expected that the Issuer will be such a company), then profits arising from its activities shall be chargeable to corporation tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of the Schedule (which is applicable to trading income). On this basis and on the basis that the interest on the Notes:

- (a) does not represent more than a reasonable commercial return on the principal outstanding and it is not dependant on the results of the company’s business; or
- (b) it is not paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance, then

the interest in respect of the Notes issued will be deductible in determining the taxable profits of the Issuer.

Stamp Duty

If the Issuer is a qualifying company within the meaning of section 110 TCA 1997 (and it is expected that the Issuer will be such a qualifying company) no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

Taxation of holders of Notes - Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Interest paid and discounts realised on the Notes have an Irish source and therefore interest earned and discounts realised on such Notes will be regarded as Irish source income for the purposes of Irish tax. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and levies if received by an individual) subject to the provisions of any applicable double tax treaty. Ireland has currently 44 double tax treaties in effect (see "*Withholding Taxes*" below) and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under section 198 TCA 1997 in certain circumstances.

These circumstances include:

- (a) where interest is paid by a qualifying company within the meaning of section 110 TCA 1997 to a person that is not resident in Ireland and that person is resident in an EU Member State (other than Ireland) or is a resident of a territory with which Ireland has a double tax treaty that is in effect, under the terms of that treaty; and
- (b) where the interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company that is resident in an EU Member State (other than Ireland) or that is a resident of a territory with which Ireland has a double tax treaty that is in effect, under the terms of that treaty; and
- (c) where interest is payable by a company to a person that is not resident in Ireland and that is regarded as being resident in an EU Member State (other than Ireland) or is a resident of a territory with which Ireland has a double tax treaty that is in effect, under the terms of that treaty, and the interest is exempt from withholding tax because it is payable on a quoted Eurobond (see "*Withholding Taxes*" below);

Interest on the Notes which does not fall within the above exemptions and discounts realised are within the charge to Irish income tax to the extent that a double tax treaty that is in effect does not exempt the interest or discount, as the case may be. However it is understood that the Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a

self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Withholding Taxes

In general, withholding tax at the rate of 20 per cent. must be deducted from payments of yearly interest that are within the charge to Irish tax, which would include those made by an Irish company. However, section 64 TCA 1997 provides for the payment of interest in respect of quoted Eurobonds without deduction of tax in certain circumstances. A “**quoted Eurobond**” is defined in section 64 TCA 1997 as a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchange for this purpose); and
- (c) carries a right to interest.

There is no obligation to withhold tax on quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and:
 - (i) the quoted Eurobond is held in a recognised clearing system (the Revenue Commissioners have designated Euroclear and Clearstream, Luxembourg as recognised clearing systems); or
 - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

Notes which are listed on the Official List of the Irish Stock Exchange and cleared through Euroclear and/or Clearstream, Luxembourg will qualify as quoted Eurobonds and the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the Noteholder is resident.

Separately, section 246 TCA 1997 (“**Section 246**”) provides certain exemptions from this general obligation to withhold tax. Section 246 provides an exemption in respect of interest payments made by a qualifying company within the meaning of section 110 TCA 1997 to a person resident in a relevant territory except where that person is a company and the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. Also Section 246 provides an exemption in respect of interest payments made by a company in the ordinary course of business carried on by it to a company resident in a relevant territory except where the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. A relevant territory for this purpose is a Member State of the European Communities, other than Ireland, or not being such a Member State, a territory with which Ireland has entered into a double tax treaty. As of the Closing Date, Ireland has entered into a double tax treaty with each of Australia, Austria, Belgium, Bulgaria, Canada, Chile (signed but not yet in effect), China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, India, Italy, Japan, Korea (Rep. of), Latvia, Lithuania, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, United Kingdom, U.S.A. and Zambia. New treaties with Argentina, Egypt, Georgia, Kuwait, Macedonia, Malta, Morocco, Moldova, Thailand, Tunisia, Turkey, Ukraine and Vietnam are in the course of being negotiated. Negotiations have taken place with Singapore but some matters remain to be agreed.

Discounts realised on the Notes will not be subject to Irish withholding tax.

Encashment Tax

Interest on any Note which qualifies for exemption from withholding tax on interest as a quoted Eurobond (see above) realised or collected by an agent in Ireland on behalf of any Noteholder will be subject to a withholding at the standard rate of Irish income tax (currently 20 per cent.). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland.

Capital Gains Tax

A holder of a Note will not be subject to Irish taxes on capital gains provided that such holder is neither resident nor ordinarily resident in Ireland and such holder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent establishment to which or to whom the Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponent or if the disponent's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disponent's successor (primarily), or the disponent, may be liable to Irish capital acquisitions tax. Notes in registered form would be regarded as property situate in Ireland if the principal register of the Notes is maintained in Ireland; bearer Notes would be regarded as property situate in Ireland if the Notes were ever to be physically kept or located in Ireland with a depository or otherwise.

For the purposes of capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of Irish tax for the 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

Value Added Tax

The provision of financial services is an exempt transaction for the purposes of Value Added Tax in Ireland ("**Irish VAT**") purposes. Accordingly, the Issuer should not be entitled to recover Irish VAT suffered. However, to the extent that income receivable by the Issuer is derived from non-EU sources, the Issuer should be entitled to recover a proportion of Irish VAT suffered. The Issuer should be required to account for Irish VAT on a "self supply" basis on certain services received from abroad which are deemed to have an Irish place of supply.

Implementation of the EU Directive on the Taxation of Savings Income

EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") (see below under "*EU Directive on the Taxation of Savings Income*") has been enacted into Irish legislation. Where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a "residual entity" then that interest payment is a "deemed interest payment" of the "residual entity" for the purpose of this legislation. A "residual entity", in relation to "deemed interest payments", must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the "deemed interest payments".

"**Residual entity**" means a person or undertaking established in Ireland or in another Member State or in an "associated territory" to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an "associated territory", or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the EU Savings Directive.

Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an "associated territory" and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another Member State or an "associated territory", apply since 1 July, 2005. For the purposes of these paragraphs "associated territory" means Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Montserrat and Turks and Caicos Islands.

LUXEMBOURG

Withholding Tax

Luxembourg Resident Individuals

Interest payments made by a Luxembourg paying agent to an individual residing in Luxembourg will be subject to a 10% withholding tax on the amount of the interest accrued or relating to the period of holding. This withholding tax represents a final taxation if the interest is income of private investments.

Interest payments subject to the withholding tax include income paid from bonds or debentures including premiums and prizes attached to the security as well as interest accrued or capitalised at the sale, refund or redemption of the debt claim.

EU Residents Individuals (EU Savings Directive)

Interest payments made by a Luxembourg resident paying agent to an individual residing in another EU member State, as well as in certain dependent and associated territories, will be subject to a withholding tax at the rate provided in the EU Savings Directive under Art 11 (1) which is currently 15%, except if the individual provides to his paying agent a tax exemption certificate which can be delivered by his tax authorities, or if the paying agent makes a communication of information to the tax authorities.

Interest payments subject to the withholding tax as defined under art 6 (1) a and (b) of the EU Savings Directive include income paid from bonds or debentures including premiums and prizes attached to the security as well as interest accrued or capitalised at the sale, refund or redemption of the debt claim.

All other persons

No withholding tax will be levied on payments made to other persons as those mentioned above. However, individuals having the nationality of an EU member state who claim to reside in a non EU member state, may be subject to a withholding tax under the rules of the EU Savings Directive, if the contractual relationship with the paying agent was entered into after 31 December 2003 and they do not provide the paying agent with a tax identification number or a tax residence certificate of their country of residence.

BELGIUM

Income Tax and Withholding Tax on the interest of the Notes

For Belgian income tax purposes, the Notes are to be qualified as "fixed-income securities" as defined in article 2, par. 1, 8° of the Income Tax Code (the "ITC"). Not only interest coupons but any sum paid by the Issuer in surplus of the Issue Price, whether or not prior to the stated maturity of the Notes, is interest for Belgian tax purposes.

Under present Belgian tax law, no Belgian withholding tax is due on the payment of principal or interest in respect of the Notes or Coupons by the Issuer or by any non-Belgian paying agent. If, however, the Noteholder or Couponholder is a Belgian individual subject to Belgian personal income tax and acquires and holds the Notes or Coupons as a private investment, the interest must be declared in his Belgian tax return and will generally be taxed at a rate currently fixed at 15 per cent (to be increased with local taxes). If the Noteholder or Couponholder is a Belgian individual subject to Belgian personal income tax and acquires the Notes or Coupons for professional purposes, the interest must be declared by the beneficiary and will be taxed at the Belgian personal income tax rates. If the Noteholder or Couponholder is a Belgian company subject to Belgian corporate income tax, or a Belgian branch of a foreign company subject to Belgian income tax on non-residents, the interest will, in general, be taxed at the normal rates of Belgian corporate income tax (currently 33.99 per cent) or the Belgian income tax on non-residents (currently also 33.99 per cent). If a Noteholder or Couponholder is a Belgian legal entity subject to the Belgian income tax on legal entities ("*rechtspersonenbelasting*" / "*impôt des personnes morales*") the payment of interest in respect of Notes and Coupons is generally subject to Belgian withholding tax at a rate currently fixed at 15 per cent which must be withheld by the receiving legal entity itself.

The payment of interest in respect of Notes and Coupons by the Issuer through a Belgian paying agent is in principle subject to Belgian withholding tax (at a rate currently fixed at 15 per cent), unless the Belgian paying agent is a credit institution, brokerage firm or clearing and settlement institution

who pays the interest to a foreign professional intermediary within the meaning of article 261, par. 4 of the ITC.

Based on Belgian legislation, an exemption of withholding tax can be applied if *inter alia*:

- (i) the Notes are held (as owner or usufructuary) by Noteholders who do not have their fiscal residence in Belgium and who do not use the Notes for carrying on a business in Belgium, and provided the Belgian paying agent is a credit institution, brokerage firm or clearing or settlement institution,
- (ii) the Notes, other than Zero Coupon Notes, are held by a Belgian company subject to Belgian corporate income tax,
- (iii) the Notes, other than Zero Coupon Notes, are held by non-residents who use the Notes for carrying on a business in Belgium through a permanent establishment.

In each case, the exemption of withholding tax is subject to the signing of a withholding tax certificate.

Income Tax on capital gains

Noteholders who do not have their fiscal residence in Belgium and who do not have a Belgian fixed base or permanent establishment to which the Notes are attributable, will not be liable for any Belgian income tax on capital gains.

Noteholders who are private individuals holding the Notes as a private investment and who have their fiscal residence in Belgium, and Noteholders who are subject to the Belgian income tax on legal entities, will not be liable for any income tax on capital gains. If however a private individual's capital gains arise from transactions going beyond the daily course of management of private property, the private individual will be subject to income tax at a rate of 33% (plus local taxes).

Other Noteholders who have their fiscal residence in Belgium or who use the Notes for carrying on a business in Belgium through a fixed base or permanent establishment will be taxable on capital gains realised at the occasion of the transfer of the Notes.

Transfer Tax and Stamp Duties

In general, Belgian tax on stock exchange transactions ("taks op de beursverrichtingen"/"tax sur les opérations de bourse") will be applicable on any secondary market transaction with respect to any Notes, if such transaction is either concluded or carried out in the Kingdom of Belgium, and if such transaction was made with the intervention of a professional intermediary. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary. The applicable rate will be 0.07 per cent. Such tax will, however, be limited to a maximum amount of EUR 500 per taxable transaction and per party. The stamp duty will not be payable by exempt persons acting for their own account as defined in article 126/1, 2° of the Code of various rights and taxes ("Weboek diverse rechten en taksen"/"Code des droits et taxes divers"), including investors who are not Belgian residents (provided they confirm their non-resident status), professional intermediaries, insurance companies, collective investment institutions and some pension funds.

Furthermore, a Belgian stamp duty on the physical delivery of bearer securities ("taks op de aflevering van effecten aan toonder"/"tax sur les livraisons des titres au porteur") will be applicable at the rate of 0.60 per cent. if physical delivery of the Notes takes place as a result of a secondary market transaction made with the intervention of a Belgian professional intermediary, or in case of withdrawal of the Notes from a custody deposit with a Belgian credit institution, brokerage firm, property management company or the CIK ("Interprofessionele Effectendeposito – en Girokas/Caisse Interprofessionnelle de Dépôts et de Virements de Titres"). However, no tax is due in each of the following cases: (1) physical delivery of the Notes to a professional intermediary (within the meaning of article 2, 9° and 10° of the Law of 2 August 2002) established in Belgium, and (2) physical delivery of the Notes to a non-resident if this delivery takes place as a result of the withdrawal of the Notes from a custody deposit.

Gift, estate or inheritance tax

Except for the gift tax payable in the case of a gift by deed made in Belgium, no gift, estate or inheritance tax is due in Belgium in respect of Notes or Coupons, unless a Noteholder or Couponholder is resident in Belgium at the time of his death.

European Union Savings Directive

In accordance with the EU Savings Directive, and on the basis of the Belgian Law of 17 May 2004 which implements the EU Savings Directive into Belgian law, interest paid by a Belgian paying agent to or for the benefit of an individual resident in another EU Member State or in certain non-EU countries and territories which have agreed to adopt similar measures to those provided for under the EU Savings Directive, is subject to a withholding tax ("woonstaatheffing" /"prélèvement pour l'Etat de résidence") to be withheld by the Belgian paying agent. The rate of this withholding tax is currently 15 per cent, and will increase to 20 per cent as from 1 July 2008 onwards, and to 35 per cent as from 1 July 2011 onwards.

Article 5 of the Law of 17 May 2004 provides that the withholding tax will not be levied if the beneficial owner presents to his paying agent a certificate drawn up in his name by the competent tax authority of his Member State of residence for tax purposes (art. 5 Law of 17 May 2004, specifications given by the Royal Decree of 26 March 2005).

The withholding tax system will apply for a transitional period prior to the implementation of a system of automatic communication to Member States of the European Union of information regarding such payments. Such transitional period will expire upon the execution of certain agreements relating to information exchange with certain non-EU countries. The Law of 17 May 2004 provides for a possibility of ending the transitional period before the execution of these agreements.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

Each Series of Bearer Notes will initially be represented by a Temporary Global Note, unless the relevant Final Terms specifies otherwise, in bearer form without Coupons, which will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a common depositary (the “**Common Depositary**”) for Euroclear and for Clearstream, Luxembourg on or about the issue date of the relevant Notes or (b) in the case of a Series intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or delivered outside a clearing system as agreed between the Issuer, the Principal Paying Agent and the relevant Dealer(s). No interest will be payable in respect of a Temporary Global Note, except as provided below.

Upon the initial deposit of a Temporary Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will be obliged to credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

The Temporary Global Note contains provisions which apply to the Bearer Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus.

Each Series of Notes in registered form may be represented (i) by one or more Global Certificates in registered form without Coupons, deposited on the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee for Euroclear and Clearstream, Luxembourg or (ii) by Individual Certificates, as specified in the relevant Final Terms.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, and in relation to all other rights arising under the Global Note or Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged for payment to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, in respect of each amount so paid.

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the relevant Final Terms and integral multiples of the Tradeable Amount in excess thereof provided in the relevant Final Terms.

3. Exchange

Temporary Global Notes and Permanent Global Notes

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 (at the cost and expense of the Issuer) 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 scheduled to the Trust Deed, in the case of exchange for Definitive Bearer Notes, or on or promptly after the issue date, in the case of exchange for Individual Certificates. Each Permanent Global Note will be exchangeable at the cost and expense of the Issuer (i) if the Permanent Global Note is

held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (ii) 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 applicable law which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two authorised officers of the Issuer is delivered to the Principal Paying Agent for display to Noteholders.

On or after the Exchange Date the holder of a Permanent Global Note may surrender such Permanent Global Note, or in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bearer Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note).

In the event that the permanent Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denominations only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

Global Certificates

Each Global Certificate will be exchangeable on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes and Global Certificates*”, in part for Individual Certificates:

- (i) by the Issuer giving notice to the Noteholders, the Registrar, the Principal Paying Agent and the Trustee of its intention to effect such exchange;
- (ii) if the relevant Final Terms provides that such Global Certificate is exchangeable at the request of the holder, by the holder giving notice to the Registrar and the Principal Paying Agent of its election for such exchange; and
- (iii) otherwise, if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the relevant Global Certificate shall be exchanged for Individual Certificates and the Issuer will, free of charge against such indemnity as the Registrar, the Principal Paying Agent or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange, cause sufficient Individual Certificates to be executed and delivered to the Principal Paying Agent or the Registrar for completion, authentication and dispatch to the relevant Noteholders. The relevant Noteholder must provide the Principal Paying Agent or the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Principal Paying Agent or the Registrar may require to complete, execute and deliver such Individual Certificates.

“**Exchange Date**” means, in relation to a Temporary Global Note, a day falling after the expiry of 40 days after its issue date, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days and in relation to a Global Certificate, 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 or, as the case may be, the Registrar is located and in the city in which the relevant clearing system is located.

Delivery of Definitive Bearer Notes and Individual Certificates

On or after any due date for exchange (a) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order

of the Principal Paying Agent and (b) the holder of any Global Certificate may, in the case of exchange in full, surrender such Global Certificate. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or a Global Certificate exchangeable for Definitive Bearer Notes or Individual Certificates, as the case may be, procure the delivery of the relevant Definitive Bearer Notes or Individual Certificates. Definitive Bearer Notes will be security printed and Individual Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each 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 Bearer Notes and/or Individual Certificates.

Legend

Each Permanent Global Note and any Bearer Note and Coupon will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

The sections of the U.S. Internal Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Bearer Notes or any related Coupons.

4. Partial Exchange of Permanent Global Notes and Global Certificates

For so long as a Permanent Global Note or Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note or Global Certificate is obliged to be exchangeable in part on one or more occasions (1) in the case of a Permanent Global Note, for Individual Certificates if the Permanent Global Note is exchangeable for Registered Notes and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Bearer Notes or Individual Certificates, as the case may be, if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms).

5. Presentation and surrender of Notes

If the Notes represented by the Permanent Global Note are Bearer Notes exchangeable for Registered Notes or if the Notes represented by a Permanent Global Note or Global Certificate are Exchangeable Notes or Puttable Notes, the holder of the Permanent Global Note or Global Certificate will present the Permanent Global Note or Global Certificate to or to the order of the Principal Paying Agent in order to effect presentation and surrender of the Notes represented by the Permanent Global Note or Global Certificate for the purposes of the Conditions. The date on which and the principal amount of the Notes in respect of which the Permanent Global Note or Global Certificate was presented will be endorsed on the appropriate schedule to the Permanent Global Note or Global Certificate. 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 Permanent Global Note or Global Certificate is obliged to present it 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 by the Principal Paying Agent in the appropriate schedule.

6. Payments

No payment falling due more than 40 days after the issue date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Bearer Notes or Individual Certificates is improperly withheld or refused. Payments on any Temporary Global Note during the period up to 40 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form

scheduled to the Trust Deed. All payments in respect of Bearer Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bearer Notes, surrender of that 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 each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Bearer Notes.

7. **Notices**

So long as any Notes are represented by a Temporary or Permanent Global Note or a Global Certificate, as the case may be, and such Global Note or the Notes represented by the Global Certificate is held on behalf of a clearing system, notices to holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery to the relevant holder of the Global Note or the Notes represented by the Global Certificate, as the case may be, except that so long as the Notes are listed on the Official List of the Irish Stock Exchange Limited and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Ireland (which is expected to be *The Irish Times*). Any notice delivered to Euroclear and/or Clearstream, Luxembourg or other Clearing System (if any) as aforesaid shall be deemed to have been given on the day on which it is delivered to the Common Depositary.

8. **Prescription Period**

Claims against the Issuer in respect of payments on the Bearer Notes while the Bearer Notes are represented by a Global Note will become void unless presented for payment within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) from the appropriate Relevant Date.

9. **Meetings**

The holder of a Global Note or of the Notes represented by a Global Certificate will be treated as being one for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as holding or representing such principal amount of Notes of the Series in respect of which the holder exercises votes (up to the maximum of the principal amount of the Series then represented thereby).

10. **Purchase and Cancellation**

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note or, in the case of Registered Notes, by an appropriate entry in the Register.

11. **Issuer Option**

If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system through which interests in the relevant Global Note or Global Certificate are held will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominee amount, at their discretion) or any Alternative Clearing System (as the case may be).

12. **Noteholders' Option**

Any Noteholders' option may be exercised by the holder of any Global Note or Global Certificate giving notice to the Principal Paying Agent or the Registrar, as the case may be, of the principal amount of Notes in respect of which the option is exercised and presenting such Global Note or Global Certificate for endorsement of exercise or (in the case of a Global Certificate) cancellation and reissue within the time limits specified in the Conditions.

13. **Tradable Amounts**

So long as the Notes are represented by a Temporary Global Note, Permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified

Denomination, the lowest Specified Denomination) and integral multiples of the Tradeable Amount specified in the relevant Final Terms.

SUBSCRIPTION AND SALE

Introduction

In relation to Notes issued by the Issuer, subject to the terms and conditions contained in a dealer agreement originally dated 21 September 2006, as amended and restated on 22 October 2007, as further amended and supplemented from time to time (the “**Dealer Agreement**”) made between the Issuer and KBC Bank NV (the “**Initial Dealer**” and together with any further financial institution appointed as dealer under the Dealer Agreement, the “**Dealers**”), the Notes may be sold by the Issuer to the Dealers, who shall act as principals in relation to such sales. The Dealer Agreement also provides for Notes to be issued in Series which are jointly and severally underwritten by two or more Dealers. In the event that an issue of Notes is sold only in part to Dealers, information to this effect shall be included in the relevant Final Terms for such issue.

The Issuer will pay a Dealer a commission as agreed between the Issuer and a Dealer in respect of the Notes subscribed by it.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and itself only, by any Dealer, at any time on giving not less than 30 business days’ notice.

The names 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 Final Terms.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries. None of the Issuer or any other Dealer shall have any responsibility therefore.

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

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

In particular (but without limiting the generality of the above), subject to any amendment or supplement which may be agreed with the Issuer in respect of the issue of any Tranche, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to comply with the following provisions except to the extent that, as a result of any change in, or the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the applicable laws and/or regulations.

United States

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as permitted by Regulation S. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes of any identifiable Series, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Series (the “Distribution Compliance Period”) as determined, and certified to the relevant Dealer, by the Principal

Paying Agent or, in the case of a Syndicated Issue, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Bearer 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 United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

European Economic Area

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

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the 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.

Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it will not offer, sell, underwrite, place or do anything in Ireland in respect of any Notes otherwise than in compliance with the Investment Intermediaries Act 1995 (as amended) of Ireland, including, without limitation, Sections 9, 23 (including any advertising restrictions made thereunder) and Section 37 (including any codes of conduct issued thereunder), or the provisions of the Investor Compensation Act 1998 of Ireland, including, without limitation, Section 21 thereof;
- (b) from 1 November 2007, it will not offer, sell, underwrite, place or do anything in Ireland in respect of any Notes otherwise than in compliance with the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland;
- (c) it will not offer, sell, underwrite, place or do anything in Ireland in respect of any Notes otherwise than in compliance with the Central Bank Acts 1942 and 1999 (as amended) of Ireland and any codes of conduct made under Section 117(1) thereof;
- (d) it will not offer, sell, underwrite, place or do anything in Ireland in respect of any Notes otherwise than in compliance with the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland; and
- (e) it will not offer, sell, underwrite, place, or do anything in Ireland in respect of any Notes otherwise than in compliance with the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 Financial Services and Markets Act 2000 (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
- (b) 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.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that zero coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act or *Wet inzake spaarbewijzen*, the "SCA") may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

Belgium

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not sell Notes to any person qualifying as a consumer within the meaning of Article 1.7° of the Belgian law of 14th July 1991 on consumer protection and trade practices unless such sale is made in compliance with this law and its implementing regulation and that only the persons or entities listed in articles 56 of the Act of 16 June 2006 on the public offer of investment instruments and the admission to trading of investments on a regulated market may act as intermediary in the context of a public offer of investment instruments.

Luxembourg

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes are not for public offer in Luxembourg and may not be offered to the public in Luxembourg, unless the applicable legal and regulatory requirements, in particular the rules set forth in the 28th December 1990 Grand Ducal Regulation (on the requirements for the draw-up, scrutiny and distribution of the prospectus to be published where transferable securities are offered to the public or of listing particulars to be published for the admission of transferable securities to official stock exchange listing), as amended, have been complied with.

Cayman Islands

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the public in the Cayman Islands may not be invited to subscribe for the Notes of any Series unless at the time of such invitation the Issuer is listed on the Cayman Islands Stock Exchange.

Taiwan

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not sell, issue or offer Notes in Taiwan, and will only make Notes available to Taiwanese investors from outside Taiwan and that no person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it has not offered and sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Czech Republic

No permit for the issue of the Notes has been obtained (including the obtaining of the approval of the terms and conditions of the Notes) from the Securities Commission of the Czech Republic (the Securities Commission) under Act of the Czech Republic No. 190/2004 Coll., on Bonds (Bonds Act).

No action has been taken (including the obtaining of the prospectus approval from the Securities Commission and the admission to trading on a regulated market (as defined in Section 37 of the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market (the Capital

Market Act)) for the purposes of the Notes to qualify as listed securities within the meaning of Section 44(1) of the Capital Market Act.

Each Dealer has agreed that it has not offered or sold, and will not offer or sell, any Notes in the Czech Republic through a public offering, being - subject to several exemptions set out in the Capital Market Act - any conduct by which a broader circle of persons have had communicated to them sufficient information on the securities being offered and the terms under which they may acquire the securities and which the Investor needs to make a decision to subscribe for, or purchase, such securities.

Each Dealer will be required to represent and agree with the Issuer and each other Dealer that it has complied with and will comply with all the requirements of the Capital Market Act and the Bonds Act and has not taken, and will not take, any action which would result in the Notes being deemed to have been issued in the Czech Republic, the issue of the Notes being classed as "accepting of deposits from the public" by the Issuer in the Czech Republic under Section 2(1)(a) of Act of Czech Republic No.21/1992 Coll., on Banks (as amended) (the Banks' Act) or requiring a permit, registration, filing or notification to the Securities Commission, the Czech National Bank or other authorities in the Czech Republic in respect of the Notes in accordance with the Capital Markets Act, the Bonds Act, the Banks' Act or the practice of the Securities Commission or the Czech National Bank. Each dealer will be required to represent and agree with the Issuer and each other dealer that it has complied with and will comply with all the laws of the Czech Republic applicable to conduct of business in the Czech Republic (including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in respect of the Notes.

Hungary

No Notes can be issued to any Hungarian person and any Note may only be sold to any Hungarian person if the buyer is, as the case may be, in personal or business contact with the seller. Otherwise the Issuer or seller, as the case may be, must comply with the provisions of Act CXX of 2001 on Capital Markets (2001. ÉVI CXX. Törvény a Tőkepiacról).

Poland

No permit has been obtained from the Polish Securities and Exchange Commission (PSEC) in relation to the issue of the Notes nor has the issue of the Notes been notified to the PSEC in accordance with applicable procedures. Accordingly, the Notes may not be offered in the Republic of Poland (Poland) in the public manner, defined in the Polish Act on Public Offering and on Conditions of Introducing Financial Instruments to an Organised Trading System as well as on Public Companies dated 29th July, 2005 (as amended) as an offering to sell or purchase of securities, made in any form and by any mean, if the offering is directed at 100 or more people or at an unnamed addressee (Public Offering). Each Dealer has confirmed that it is aware that no such permit has been obtained nor such notification made and represents that it has not offered, sold or delivered and will not offer, sell or deliver the Notes in Poland in the manner defined as Public Offering as part of their initial distribution or otherwise to residents of Poland or on the territory of Poland. Each Dealer has acknowledged that the acquisition and holding of the Notes by residents of Poland may be subject to restrictions imposed by Polish law (including foreign exchange regulations) and that the offers and sales of the Notes to Polish residents or within Poland in secondary trading may also be subject to restrictions.

Republic of Slovenia

No action shall be taken by the Dealers which might be considered a public offering, public reoffering or organisation of trading of Notes in the Republic of Slovenia or which might be regarded as being taken with an aim to create a wrong or misleading information or tradability of price of the Notes. Consequently, the Notes shall not, in any way, be offered to the public in the Republic of Slovenia nor shall any action be taken that would constitute the offering of such securities to an indefinite group of persons in the Republic of Slovenia or the advertising or organisation of trading thereof or such other activities.

Slovak Republic

Subject to certain exception, Notes may not be offered publicly in the Slovak Republic. A public offer means any notice, recommendation or other text, or any other form of action, by which anyone, whether himself or through a third person, on its own or someone else's behalf, makes a public address by any means of publication to an unspecified group of previously unspecified to acquire the offered securities or which creates an interest in the acquisition of securities.

GENERAL INFORMATION

- (1) It is expected that each Tranche of Notes which is to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes or a Global Certificate or Individual Certificate initially representing the Notes of such Tranche. The approval of the Programme in respect of Notes is expected to be granted on or before 22 October 2007. The Programme provides that Notes may be listed on such further or other stock exchange(s) or admitted to trading on such further or other markets as the Issuer may decide. The Issuer may also issue unlisted Notes and Notes which are not admitted to trading on any market.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with the establishment of the Programme and the issue and performance of Notes under the Programme. The establishment and update of the Programme and the issue of Notes under the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 20 September 2006 and 10 October 2007.
- (3) There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 6 September 2006.
- (4) The Issuer is not nor has it been since the date of its incorporation, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have had in the recent past, significant effects on the Issuer's financial position or profitability.
- (5) Each Bearer Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) It is expected by the Issuer that all Bearer Notes and Registered Notes will be accepted for clearing through Euroclear and Clearstream, Luxembourg, or other clearing system specified in the relevant Final Terms. The Common Code for each Bearer Series of Notes, together with the relevant ISIN number and the CUSIP number and/or CINS number for each Series of Registered Notes, will be contained in the Final Terms relating thereto.
- (7) From the date hereof and for as long as the Programme remains in effect or any Notes issued thereunder remain outstanding, the following documents will be available for inspection in physical form, during usual business hours on any weekday (Saturdays and Sundays and public holidays excepted) for inspection at the registered office of the Issuer, and the Specified Office of the Principal Paying Agent:
 - (i) the Master Trust Deed;
 - (ii) any Supplemental Trust Deed;
 - (iii) the Agency Agreement;
 - (iv) the Dealer Agreement;
 - (v) the Portfolio Management Agreement;
 - (vi) the Master Definitions and Common Terms Agreement;
 - (vii) the Pledge Agreement;
 - (viii) any Swap Agreement;
 - (ix) the constitutional documents of the Issuer (being its certificate of incorporation and memorandum and articles of association);
 - (x) each Final Terms for Notes which are outstanding and are listed on the Official List of the Irish Stock Exchange Limited;

- (xi) a copy of this Base Prospectus;
 - (xii) all reports, letters, other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Base Prospectus;
 - (xiii) the most recently published audited (if any) and (if any) unaudited financial statements of the Issuer.
- (8) The Issuer does not intend to provide any post-issuance information in relation to the Notes or the Charged Assets.
- (9) The language of this Base Prospectus is English. Any foreign language text included within this document is for convenience purposes only and does not form part of this Base Prospectus.

Arranger and Dealer

KBC Bank NV

Havenlaan 2
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Belgium

Registered Office of the Issuer

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4th Floor, Hanover Building
Windmill Lane
Dublin 2
Ireland

Trustee

BNY Corporate Trustee Services Limited

One Canada Square
London E14 5AL
United Kingdom

Portfolio Manager

KBC Asset Management NV

Havenlaan 2
B-1080 Brussels
Belgium

Custodian

KBC Bank NV

Havenlaan 2
B-1080 Brussels
Belgium

Principal Paying Agent, Registrar, Transfer Agent and Calculation Agent

The Bank of New York

One Canada Square
London E14 5AL
United Kingdom

Administration Agent

BNY Financial Services p.l.c.

4th Floor, Hanover Building
Windmill Lane
Dublin 2
Ireland

Listing Agent

McCann FitzGerald Listing Services Limited

Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers

*To the Issuer, the Arranger and the Dealers as to
Irish law*

To the Trustee as to Irish law

McCann FitzGerald

Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

Matheson Ormsby Prentice

70 Sir John Rogerson's Quay
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Auditors of the Issuer

Deloitte

Deloitte & Touche House
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