

**LAUNCHPAD PROGRAMME**

**DATED 28 FEBRUARY, 2002**



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[QUANTITY] [NOTES / CERTIFICATES / REVERSE EXCHANGEABLE BONDS / WARRANTS]<sup>i</sup>

LINKED TO [UNDERLYING(S)]<sup>ii</sup>

PURSUANT TO THE ABN AMRO LAUNCHPAD PROGRAMME

ISSUE PRICE: ●<sup>iii</sup>

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**PROSPECTIVE PURCHASERS OF THE SECURITIES DESCRIBED IN THIS DOCUMENT SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE SECURITIES. THE MARKET PRICE AND / OR VALUE OF THE SECURITIES MAY BE VOLATILE AND HOLDERS OF THE SECURITIES MAY SUSTAIN A TOTAL LOSS IN THE VALUE OF THEIR INVESTMENT (UNLESS THE SECURITIES ARE OF A TYPE IN WHICH CAPITAL IS PROTECTED). PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES. PLEASE REFER TO THE “RISK STATEMENT” IN SECTION I OF THE PROGRAMME AND TO “SELLING RESTRICTIONS” ALSO IN SECTION I OF THE PROGRAMME.**

Under its LaunchPAD Programme (the “**Programme**”) ABN AMRO Bank N.V. (the “**Issuer**”) incorporated in The Netherlands with its statutory seat in Amsterdam, acting through its principal office or its branch in London or such further or other branches as it may specify may from time to time issue securities relating to shares and/or indices and/or debt securities and/or currencies and/or commodities (each an “**Underlying**”). Pursuant to a declaration under Article 2:403 of the Netherlands Civil Code, ABN AMRO Holding N.V. (“**Holding**”) is jointly and severally liable with the Issuer for the Issuer’s obligations under this Programme. [The Issuer has now determined to issue [quantity] [Notes / Certificates / Reverse Exchangeable Bonds / Warrants]<sup>iv</sup> relating to [Underlying(s)]<sup>v</sup> (the “**Securities**”) as described in the related offering supplement (the “**Offering Supplement**”). The Securities are issued upon the terms and subject to the product conditions (the “**Product Conditions**”) set out in the applicable Offering Supplement and the general conditions (the “**General Conditions**”) set out in the Programme. The Product Conditions and the General Conditions shall together be referred to as the “Conditions”. References to the “Underlying” shall be construed as references to the asset(s) specified in the applicable Offering Supplement.

[Application may be made to include the Securities for trading on the free-market of the [Frankfurt stock market (the “**Exchange**”)]<sup>vi</sup>. For the purposes of compliance with the national laws and regulations of any country into which offerings of the Securities is proposed to be made, the Offering Supplement may have attached to it one or more country supplements (each a “**Country Supplement**”). The attachment of one or more Country Supplements shall not preclude the attachment of further Country Supplements from time to time. References to “this document” shall, unless the context requires otherwise, include the applicable Country Supplement and Offering Supplement.

Subject to the rules and regulations of any securities exchange on which the Securities are officially listed or quoted, the Securities may be sold by the Issuer at such times and at such prices as the Issuer may select. There is no obligation on the Issuer to sell all of the Securities. The Securities may be offered or sold in one or more transactions at the discretion of the Issuer.

**The LaunchPAD Programme is dated 28 February, 2002 and provides information with respect to a range of financial instruments which are capable of issue under it. This Offering Supplement constitutes in relation to the Securities only, a completed version of the LaunchPAD Programme. This Offering Supplement is dated [insert date].<sup>vii</sup>**

Subject as set out with respect to the Underlying (as to which, please refer to “Information Relating to the Underlying”), the Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the Issuer nor Holding has authorised the making or provision of any representation or information regarding the Issuer, Holding, or any Securities. Neither the delivery of this document nor the delivery of any Offering Supplements nor any information provided in the course of a transaction in Securities shall, in any circumstances, be construed as a basis for credit or risk evaluation with respect to the Issuer or Holding or a recommendation by the Issuer or Holding to enter into any transaction with respect to any Securities. Each prospective investor contemplating a purchase of Securities should make its own independent investigation of the risks associated with a transaction involving any Securities.

The delivery of this document does not at any time imply that there has been no change in the affairs of the Issuer or Holding since the date of this Programme.

The distribution of this document and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of this document and other offering material relating to the Securities please refer to “Selling Restrictions” in Section I.

In connection with the issue and the distribution of any Securities, any one manager (the “**Manager**”) appointed by the Issuer or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Securities at a higher level than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Manager or any other person to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall also be in compliance with all relevant laws and regulations including the Securities Market Supervision Rules 1999 (*Nadere Regeling toezicht effectenverkeer 1999*) in The Netherlands. Subject to the rules of the exchange and any applicable market practices, stabilisation may be effected in accordance with the rules and practices and, in any event, if commenced will be discontinued 30 days after the issuance of the Securities.

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## SUMMARY OF OFFERING<sup>viii</sup>

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<b>Issuer:</b>	ABN Amro Bank N.V., [London] Branch
<b>Number of Securities:</b>	[ ]
<b>Underlying:</b>	[ ]
<b>Issue Price:</b>	[ ]
<b>Initial Reference Price:</b>	[ ]
<b>Final Reference Price:</b>	[ ]
<b>Averaging Dates:</b>	[ ]
<b>Valuation Date:</b>	[ ]
<b>[Exercise] [Maturity] Date:</b>	[ ]
<b>Settlement:</b>	[Cash] [Physical Settlement] [Cash unless the Issuer elects Physical Settlement]
<b>Settlement Date:</b>	[ ]
<b>Cash Amount:</b>	[ ]
<b>Minimum Exercise:</b>	[ ]
<b>Maximum Exercise:</b>	Otherwise than on the [Exercise / Maturity] Date [ ] Securities
<b>Calculation Agent:</b>	ABN Amro Bank N.V. London Branch
<b>Principal Agent:</b>	ABN Amro Bank N.V. London Branch
<b>Clearing:</b>	[Euroclear Bank S.A./N.V.: [ ]] [Clearstream Banking SA, Luxembourg:[ ]] [Clearstream Banking AG, Frankfurt: [ ]] [SIS Intersettle: [ ]]

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i Insert type and description of instrument. Note bond style instruments are designed to trade in percentages of the nominal and pay on maturity without the need to exercise. Equity style products are designed to trade in units. This choice will impact Product Condition 3.

ii Insert Underlying to which the particular product relates

iii Insert Issue Price either per Security (if traded in units) or as a percentage if traded in nominals

iv Insert type and description of instrument

v Insert Underlying to which the particular product relates

vi Insert if listing and specify primary exchange

vii To be included on all offers – insert date of document

viii Insert summary of offering. Delete all lines which are not relevant to the particular offering

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## I GENERAL: RISK STATEMENT

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*The statements below are of a general nature and do not purport to be an exhaustive list of the various risk factors associated with an investment in the Securities which are capable of issue under the Programme. Not all of the factors which are described below may be applicable to any particular Securities.*

*Please consider all risks carefully prior to investing in any Securities and consult your professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Securities.*

*Terms in capitals shall have the meanings ascribed to them in the Conditions.*

1. WHAT ARE THE SECURITIES ?

Depending on the specific type of Securities issued, their features will vary. The Securities may be debt securities featuring an equity linked element or may be certificates or warrants or other types of securities with debt or equity linked features.

2. HOW WILL THE VALUE OF THE SECURITIES BE DETERMINED ?

The value of the Securities may move up and down between the date you purchase them and their Exercise Date or Maturity Date (as the case may be). Holders of Securities (the “**Holders**”) may sustain a total loss of their investment (unless the Securities are of a type in which capital is protected). Prospective purchasers should therefore ensure that they understand fully the nature of the Securities and carefully study the investment considerations below as well as any further investment considerations set out in the applicable Offering Supplement before they invest in the Securities.

Several factors, many of which are beyond our control, will influence the value of the Securities at any time, including the following:

- (a) Valuation of the Underlying. The market price of the Securities at any time is expected to be affected primarily by changes in the price of the Underlying (including in the case of an index, the index and its constituent elements) to which such Securities are linked. It is impossible to predict whether the price of the relevant Underlying will rise or fall. Factors which may have an affect on the value of the Underlying include where applicable the rate of return of the Underlying, the financial position and prospects of the issuer of the Underlying. In addition, the value of the Underlying may depend on a

number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges.

- (b) Volatility. The term “volatility” refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to an Underlying. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying will move up and down over time (sometimes more sharply than others) and different Underlyings will most likely have separate Volatilities at any particular time.
- (c) Exchange Rates. Even where payments in respect of the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Securities is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Securities will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter. Where Securities are described as being “quantoed”, the value of the Underlying will be converted from one currency (the “**Original Currency**”) into a new currency (the “**New Currency**”) on the date and in the manner specified in, or implied by, the Conditions using a fixed exchange rate. The cost to the Issuer of maintaining such a fixing between the Original Currency and the New Currency will have an implication on the value of the Securities. The implication will vary during the term of the Securities. No assurance can be given as to whether or not, taking into account relative exchange rate and interest rate fluctuations between the Original Currency and the New Currency, a quanto feature in a Security would at any time enhance the return on the Security over a level of a similar security issued without such a quanto feature.
- (d) Interest Rates. Investments in the Securities may involve interest rate risk with respect to the currency of denomination of the Underlying and/or the Securities. A variety of factors influence interest rates such as macro

economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Securities at any time prior to valuation of the Underlying relating to the Securities.

- (e) Disruption. If so indicated in the Conditions, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or may delay settlement in the respect of the Securities.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

- (f) Our Creditworthiness. Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of Holding (pursuant to its declaration under Article 2:403 of the Netherlands Civil Code) and has no rights against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and Holding and of no other person. The Securities rank pari passu among themselves.

3. WHAT HAPPENS IF THERE IS A CHANGE IN THE VALUE OF THE UNDERLYING ?

If the Securities are linked to an Underlying or Underlyings, that is not the same as owning or having a direct investment in such Underlying(s). The market value of the Securities is linked to the relevant Underlying(s) and will be influenced (positively or negatively) by it or them but any change may not be comparable and may be disproportionate. It is possible that while the Underlying(s) is/are increasing in value, the value of the Securities is falling. Further, where no market value is available for an Underlying, the Calculation Agent may determine its value to be zero notwithstanding the fact that there may be no Market Disruption Event and/or no Potential Adjustment Events which apply.

4. WILL THERE BE A SECONDARY MARKET IN THE SECURITIES ?

You should be willing to hold the Securities through their life: please refer to Product Condition 3 (Rights and Procedures) of the relevant Offering Supplement. The nature and extent of any secondary market in the Securities cannot be predicted. As a consequence any person intending to hold the Securities should consider liquidity in the Securities as a risk. If the Securities are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Securities were not so listed or quoted. However, if Securities are not listed or quoted there may be a lack of transparency with regard to pricing information.



Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any such Securities may be resold at any time into the market.

5. CAN I USE THEM TO REDUCE MY RISK TO OTHER FINANCIAL PRODUCTS ?

Any person intending to use the Securities as a hedge instrument should recognise the correlation risk. The Securities may not be a perfect hedge to an Underlying or portfolio of which the Underlying forms a part. In addition, it may not be possible to liquidate the Securities at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

6. HOW WILL THE ISSUER BE REDUCING ITS OWN RISK ?

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Securities, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying whether for risk reduction purposes or otherwise. In addition, in connection with the offering of any Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Underlying. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Underlying which may affect the market price, liquidity or value of the Underlying and/or the Securities and which could be deemed to be adverse to the interests of the Holders. The Issuer and/or its affiliates are likely to modify their hedging positions throughout the life of the Securities whether by effecting transaction in the Underlying or in derivatives linked to the Underlying. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the Underlying.

7. DO I OWN THE UNDERLYING ?

The Securities convey no interest in the Underlying. The Issuer may choose not to hold the Underlying or any derivatives contracts linked to the Underlying. There is no restriction through the issue of the Securities on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying or any derivatives contracts linked to the Underlying.

8. IF THERE IS CORPORATE ACTION WHICH AFFECTS THE UNDERLYING, HOW ARE THE SECURITIES AFFECTED ?

The Calculation Agent is the agent of the Issuer and not the agent of the Holders or any of them. The Issuer may itself act as the Calculation Agent. The Calculation Agent will make such adjustments as it considers appropriate as a consequence of certain corporate actions affecting the Underlying. The Calculation Agent is not required to make adjustments with respect to each and every corporate action.

9. CAN I EXERCISE THE SECURITIES WHENEVER I LIKE AND REGARDLESS OF HOW MANY I HOLD?

- (a) **Maximum Exercise Amount.** If so indicated in the Conditions, the Issuer will have the option to limit the number of Securities exercisable on any date (other than the final exercise date) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Securities being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer has elected to limit the number of Securities exercisable on such date, a holder of Securities may not be able to exercise on such date all the Securities that it desires to exercise. In any such case, the number of Securities to be exercised on such date will be reduced until the total number of Securities exercised on such date no longer exceeds such maximum (unless the Issuer otherwise elects), such Securities being selected as specified in the Conditions. Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

- (b) **Minimum Exercise Amount.** If so indicated in the Conditions, a Holder may have to tender a specified minimum number of the Securities at any one time in order to exercise the Securities. Thus Holders with fewer than the specified minimum number of such Securities will either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to release a return on their investment, and may incur the risk that the trading price of the Securities at that time is different from, in the

case of Securities settled in cash (“**Cash Settled Securities**”), the applicable Cash Amount (as defined in the Product Conditions) or, in the case of Securities settled by way of physical delivery (“**Physical Delivery Securities**”), the difference between the value of the applicable underlying asset and the exercise price, in each case upon exercise.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

10. WILL I GET PAID OR HAVE THE UNDERLYING SETTLED TO MY ACCOUNT IMMEDIATELY ?

If the Securities are subject to provisions relating to exercise, then upon their exercise, there will be a time lag between the time a holder of the Securities gives instructions to exercise and the time the applicable Cash Amount (if the Securities are Cash Settled Securities) relating to such exercise is determined. If the Securities are Physical Delivery Securities there will be a time lag, following exercise of the Securities until they are delivered to the relevant Holder’s account. Any such delay between the time of exercise and the determination of the Cash Amount or delivery of the Share Amount will be specified in the Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of such Securities arising from, as described above, any daily maximum exercise limitation or, as described above, upon the determination by the Calculation Agent that a Market Disruption Event occurred at any relevant time. The applicable Cash Amount or Share Amount could decrease or increase from what it would have been but for such delay.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

11. WHAT ELSE DO I HAVE TO DO ?

If the Securities are subject to provisions concerning delivery of a Notice and such notice is received by either the relevant Clearing Agent, with a copy to the Principal Agent after the latest time specified in the Conditions, it will be deemed to be duly delivered on the next following Business Day. Such deemed delivery may in the case of Cash Settled Securities increase or decrease the Cash Amount from what it would have been but for such deemed delivery. In the case of Securities which are exercisable on one day only or only during an exercise period any Notice, if not delivered by the latest time specified in the Conditions, shall be void.

If the Securities require a Notice to be delivered before close of business in the place of receipt on the Cut-off Date (as defined in the Product Conditions), then delivery after the Cut-off Date may result in a delay of the applicable Share Amount (as defined in the Product Conditions).

The failure to deliver any certifications required by the Conditions could result in the loss or inability to receive amounts or deliveries otherwise due under the Securities.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

**Securities not exercised in accordance with the Conditions will (where exercise is required) expire worthless.**

12. TELL ME ABOUT SETTLEMENT PROCEDURES.

(a) Cash / Physical Settlement. If so indicated in the Conditions, the Issuer will have the option to settle in cash or by physical delivery.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

(b) Settlement Risk. If so indicated in the Conditions, the Calculation Agent may determine that a Settlement Disruption Event is subsisting. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

13. ARE THERE ANY TAXES OR DUTIES TO PAY ?

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Holders are subject to the provisions of General Condition 8 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of any Expenses as provided in the Product Conditions.

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

14. DOES THE ISSUER HAVE ANY RIGHTS TO TERMINATE THE SECURITIES PRIOR TO THEIR STATED DATE ?

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangement with respect to the Securities for any reason, the Issuer may at its discretion and without obligation terminate early the Securities. If the Issuer terminates early the Securities, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value notwithstanding the illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements.

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## I GENERAL: TAXATION

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*Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Security should consult their professional tax advisers.*

1. GENERAL

Purchasers of Securities may be required to pay stamp taxes and other charges in accordance with the laws of practices of the country of purchase in addition to the issue or purchase price of each Security.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer or exercise of any Securities.

2. THE NETHERLANDS

The following paragraph, which is intended as a general guide only, is based on current law and practice in The Netherlands. It summarises certain aspects of taxation in The Netherlands only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be of relevance.

All payments by the Issuer in respect of the Securities will be made free of withholding or deduction for or on account of any taxed of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless such withholding is required by law.

3. THE UNITED KINGDOM

The following paragraphs, which are intended as a general guide only, are based on current law and practice in The United Kingdom. They summarise certain aspects of taxation in The United Kingdom only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax consideration which may be of relevance.

Potential purchasers of the Securities should note that where the Securities are specified to be issued in Global form (the “**Global Security**”) they may constitute an instrument which is subject to United Kingdom stamp duty on issue by reference to

the amount of the consideration paid or the value of the Security. However, the Global Security will be executed and delivered outside the United Kingdom and should not be brought into the United Kingdom save for the purposes of enforcement. So long as the Global Security is held outside the United Kingdom, it will not be necessary to pay stamp duty or interest or penalties in connection with it. However, if the Global Security is brought into the United Kingdom (for example, for enforcement purposes), United Kingdom stamp duty may be required to be paid on the Global Security (subject to the availability of exemptions and reliefs). In addition, where the Global Security is executed outside the United Kingdom and is subsequently brought into the United Kingdom and stamped, interest on the amount of the unpaid stamp duty will be payable in addition to the stamp duty in respect of the period from expiry of 30 days from the date of execution of the Global Security to the date of stamping, unless the Global Security is stamped within 30 days of execution, in which case no interest should be payable. No penalties are payable where the Global Security is executed outside the United Kingdom and subsequently brought into the United Kingdom and stamped, provided that the Global Security is stamped within 30 days of being brought into the United Kingdom. If the Global Security is subject to United Kingdom stamp duty, it would be inadmissible in evidence in civil proceedings in an English Court unless duly stamped.

Except in limited cases (for example, where Physical Delivery Securities which are warrants and which exercise in to Shares of Share Companies which are registered in the United Kingdom are issued), where Securities are specified to be issued in Definitive form (“**Definitive Securities**”) no United Kingdom stamp duty or stamp duty reserve tax will be payable on their issue or transfer.

Any interest payable on the Securities, any original issue discount in respect of the Securities and/or proceeds on redemption or exercise of the Securities will not be subject to United Kingdom withholding tax.

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## I GENERAL: SELLING RESTRICTIONS

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*The statements which follow are of a general nature. Potential purchasers in each jurisdiction must ensure that they are able validly to take delivery of the Securities and any assets into which they may convert or be settled. Additional certifications may be required by the Issuer and/or any clearance system at the time of exercise and/or settlement.*

1. GENERAL

Unless otherwise specified in a Country Supplement, no action has been or will be taken by the Issuer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

2. THE NETHERLANDS

Securities will only be offered in The Netherlands as part of their initial distribution or at any time thereafter, and such an offer may only be announced:

- (a) if those Securities have been, or will likely shortly be, admitted to listing on the Official Market of Euronext Amsterdam N.V's stock market; or
- (b) to persons who trade or invest in securities in the conduct of their profession or trade (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, other institutional investors and commercial enterprises which as an ancillary activity regularly invest in securities) ("**professional investors**") (and in that case the Issuer shall ensure that:
  - (1) its offer, and each announcement of its offer, of those Securities states that the offer is exclusively made to professional investors; and
  - (2) a copy of this document has been submitted to the Securities Board of The Netherlands ("*Stichting Toezicht Effectenverkeer*") before the offer is made); or



- (c) to persons who are established, domiciled or have their residence (collectively, “**are resident**”) outside The Netherlands (and in that case the Issuer shall ensure that:
- (1) its offer, and each announcement of its offer, of those Securities states that the offer is not and will not be made to persons who are resident in The Netherlands;
  - (2) its offer, this document and each announcement of its offer comply with the laws and regulations of any State where persons to whom the offer is made are resident; and
  - (3) a statement by the Issuer that those laws and regulations are complied with is submitted to the Securities Board of the Netherlands before the offer is made and is included in each such announcement); or
- (d) otherwise in accordance with the 1995 Act on the Supervision of the Securities Trade (“*Wet toezicht effectenverkeer 1995*”).

In addition, Securities which qualify as savings certificates as defined in the Savings Certificates Act (“*Wet inzake spaarbewijzen*”) may only be transferred or accepted through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act and its implementing regulations (including registration requirements), provided that no mediation is required in respect of:

- (a) the initial issue of those Securities to the first holders thereof;
- (b) any transfer and delivery by individuals who do not act in the conduct of a profession or trade; and
- (c) the issue and trading of those Securities, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

### 3. UNITED STATES OF AMERICA

The Securities have not been and will not be registered under the Securities Act of 1933 (as amended) (the “**Securities Act**”) and trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1922. The Securities may not at any time be offered, sold, delivered, traded or exercised, directly

or indirectly, in the United States or to, or for the account or benefit of, a U.S. person and a U.S. person may not, at any time, directly or indirectly, maintain a position in the Securities. Offers, sales, trading or deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons may constitute a violation of the United States law governing commodities trading. Exercise of the Securities will be conditional upon certification as to non-U.S. beneficial ownership. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Issuer will not offer, sell or deliver the Securities at any time within the United States or to, or for the account or benefit of, any U.S. person, and it will require all those dealers participating in the distribution of the Securities not to offer, sell, deliver or trade, at any time, directly or indirectly, any Securities in the United States or to, for the account or benefit of, any U.S. person. In addition, the Issuer will send to each dealer to which it sells Securities at any time a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons. As used in this and the above paragraph “United States” means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities, and “U.S. person” means:

- (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
- (b) any person or entity other than one of the following:
  - (1) a natural person who is not a resident of the United States;
  - (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
  - (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
  - (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the

aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or

- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

#### 4. UNITED KINGDOM

The Issuer represents, warrants and agrees that:

- (a) in relation to Securities which have a maturity of one year or more it has not offered or sold and, prior to the expiry of a period of six months from the issue date of the Securities, will not offer or sell any such Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

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## II ISSUER INFORMATION: ABN AMRO

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### 1. HISTORY AND INCORPORATION

Holding is incorporated under the laws of The Netherlands by deed of 30 May 1990 as the holding company of the Issuer. The Articles of Association of Holding were last amended by deed of 17 May 2001 executed before Mr. R.J.C. van Helden, Notary of Amsterdam. Holding's main purpose is to own ABN AMRO Bank N.V. and its subsidiaries. Holding owns 100 per cent. of the shares of the Issuer and Holding's Annual Report states that Holding guarantees all liabilities of the Issuer.

The Issuer traces its origin to the formation of the "Nederlandsche Handel-Maatschappij, N.V." in 1825 pursuant to a Dutch Royal Decree of 1824. The Issuer's Articles of Association were last amended by deed of 17 May 2001.

The Issuer is registered in the Commercial Register of Amsterdam under number 33002587.

The registered office of the Issuer is at Gustav Mahlerlaan 10, 1082 PP, Amsterdam, The Netherlands.

### 2. ACTIVITIES AND RESULTS

The ABN AMRO group ("ABN AMRO"), which consists of Holding and its subsidiaries, is a global banking group offering a wide range of commercial and investment banking products and services on a global basis through its network of approximately 3,500 offices and branches in 70 countries and territories. ABN AMRO is the largest banking group based in The Netherlands with total consolidated assets of EUR 543.2 billion as at 31 December 2000. ABN AMRO has a substantial presence in the United States, where it is one of the largest foreign banking groups based on total assets held in the country, and it also has a substantial presence in Brazil where it acquired Banco Real, the fourth largest privately held bank in the country in November 1998. During 1999, ABN AMRO also established a presence in Italy.

ABN AMRO's performance reflects its broad diversification of revenue sources and risks on the basis of clients, products and geography, its leading position in its home markets and a cautious management approach that focuses on shareholder value, profitability and cost control.

ABN AMRO aims to create maximum economic value for its shareholders through a constant relationship focus on the financial services needs of its chosen client segments and a strict adherence to its financial targets. ABN AMRO is operating in three principal customer segments, whereby the objective is to maximize the value of each of these businesses as well as the synergies between them.

ABN AMRO's strategy is to use its strong capital base to pursue both organic growth and expansion through acquisitions with the goal of enhancing its position in key regions, broadening the range of products and services offered and entering new markets that it believes have significant long-term growth and profitability potential without risking its ability to achieve its targets for financial performance.

3. ORGANISATIONAL STRUCTURE

ABN AMRO Bank N.V. and its numerous subsidiaries are organised into three strategic business units (SBU): the Wholesale Clients SBU, the Consumer & Commercial Clients SBU and the Private Clients & Asset Management SBU. In addition, ABN AMRO Bank N.V. owns ABN AMRO Lease Holding N.V. and ABN AMRO Bouwfonds Nederlandse Gemeenten N.V., two independently managed subsidiaries. The three SBUs are supported by the Corporate Centre that includes group risk management, group audit, group finance, corporate communications, IT standards and human resources policy.

4. AUTHORISATION

The issue of the Securities by the Issuer has been duly authorised.

5. USE OF PROCEEDS

The Issuer intends to add the net proceeds from the sale of the Securities to its general funds to be used for general corporate purposes including hedging of the Securities.

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## II ISSUER INFORMATION: FINANCIAL AND MANAGEMENT INFORMATION

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### 1. MANAGING BOARD AND SUPERVISORY BOARDS OF HOLDING

<i>Managing Board</i>	<i>Year of Appointment</i>
R.W.J. Groenink, Chairman	1988
R.W.F. van Tets	1988
J.M. de Jong	1989
W.G. Jiskoot	1997
R.G.C. van den Brink	1997
T. de Swaan	1999
J.Ch.L. Kuiper	1999
D. Collee	2000
S.L. Rial	2000
H. Scott-Barrett	2000

<i>Supervisory Board</i>	<i>Year of Appointment</i>
A.A. Loudon, Chairman	1994
H.B. van Liemt, Vice-Chairman	1986
W. Overmars	1990
W. Dik	1993
S. Keehn	1996
C.H. van der Hoeven	1997
M.C. van Veen	1997
A. Burgmans	1998
D.R.J. Baron de Rothschild	1999
Mrs L.S. Groenman	1999
Mrs T.A. Maas-de Brouwer	2000
P.J. Kalff	2000

The chosen address of the Managing and Supervisory Boards is the registered office of the Issuer.

2. MATERIAL ADVERSE CHANGE

Save as disclosed in this document, there has been no material adverse change in the financial position or prospects or significant change in the financial or trading position of Holding since 31 December 2000.

3. LITIGATION

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual financial statements for the year 2000 of the Issuer. On the basis of information presently available, the Managing Board of the Issuer is of the opinion that the outcome of these proceedings is unlikely to have a material effect on the financial position of the Issuer.

4. CREDIT RATING

The Issuer's senior long term debt is rated Aa2 by Moody's Investors Services, Limited and AA by Standard & Poor's Corporation.

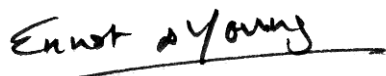
5. STATUTORY AUDITORS

Holding's financial year is the calendar year. Holding is required by the laws of The Netherlands to have statutory auditors. Ernst & Young Accountants act as the auditors of the financial statements of Holding and have given unqualified opinions in Holding's Annual Reports for the last three years.

**AUDITORS' REPORT**

In our opinion, the financial data for the years 2000, 1999 and 1998, as included in this prospectus in Section II excluding item 7 "interim financial statements", are consistent, in all material respects, with the financial statements from which they have been derived. We issued an unqualified auditors' report on the 2000 financial statements on March 23, 2001. This auditors' report is included in the 2000 financial statements, which form an integral part of this prospectus.

Amsterdam, December 13, 2001



**Ernst & Young Accounts**



6. ANNUAL FINANCIAL STATEMENTS

Extracts of the Annual Financial Statements of Holding as at 31 December 2000 are reproduced below. The Annual Report dated 31 December 2000 is available for inspection at the office of each Agent specified in the relevant Country Supplement.

## Consolidated balance sheet at 31 December 2000 after profit appropriation (in millions of euros)

	2000	1999
<b>Assets</b>		
Cash 1	<b>6,456</b>	6,806
Short-dated government paper 2,5	<b>11,199</b>	10,375
Banks 3	<b>48,581</b>	47,201
<i>Loans to public sector</i>	<b>14,974</b>	12,007
<i>Loans to private sector</i>	<b>245,450</b>	206,974
<i>Professional securities transactions</i>	<b>58,842</b>	40,742
Loans 4	<b>319,266</b>	259,723
Interest-earning securities 5	<b>108,053</b>	92,583
Shares 5	<b>21,094</b>	16,990
Participating interests 6	<b>2,026</b>	1,884
Property and equipment 7	<b>6,813</b>	5,205
Other assets 8	<b>7,764</b>	6,894
Prepayments and accrued income 9	<b>11,917</b>	10,223
	<b>543,169</b>	457,884
<b>Liabilities</b>		
Banks 10	<b>101,510</b>	80,990
<i>Savings accounts</i>	<b>80,980</b>	71,729
<i>Deposits and other client accounts</i>	<b>155,549</b>	128,507
<i>Professional securities transactions</i>	<b>43,020</b>	29,756
Total client accounts 11	<b>279,549</b>	229,992
Debt securities 12	<b>60,283</b>	54,228
Other liabilities 8	<b>41,080</b>	42,113
Accruals and deferred income 9	<b>14,791</b>	10,974
Provisions 13	<b>13,422</b>	10,706
	<b>510,635</b>	429,003
Fund for general banking risks 14	<b>1,319</b>	1,232
Subordinated debt 15	<b>13,405</b>	10,717
<i>Shareholders' equity 16</i>	<b>12,523</b>	11,987
<i>Minority interests 17</i>	<b>5,287</b>	4,945
Group equity	<b>17,810</b>	16,932
Group capital	<b>32,534</b>	28,881
	<b>543,169</b>	457,884
Contingent liabilities 23	<b>49,044</b>	43,561
Committed facilities	<b>138,457</b>	115,441

## Consolidated income statement for 2000

(in millions of euros)

	2000	1999	1998
Revenue			
<i>Interest revenue</i>	<b>37,236</b>	29,062	25,634
<i>Interest expense</i>	<b>27,832</b>	20,375	18,436
<b>Net interest revenue 26</b>	<b>9,404</b>	8,687	7,198
Revenue from securities and participating interests 27	<b>451</b>	357	348
<i>Commission revenue</i>	<b>6,529</b>	4,947	3,819
<i>Commission expense</i>	<b>649</b>	492	431
Net commissions 28	<b>5,880</b>	4,455	3,388
Results from financial transactions 29	<b>1,569</b>	1,374	1,153
Other revenue 30	<b>1,165</b>	654	451
<b>Total non-interest revenue</b>	<b>9,065</b>	6,840	5,340
<b>Total revenue 39</b>	<b>18,469</b>	15,527	12,538
Expenses			
<i>Staff costs 31</i>	<b>7,460</b>	5,768	4,656
<i>Other administrative expenses 32</i>	<b>4,801</b>	4,041	3,381
<b>Administrative expenses</b>	<b>12,261</b>	9,809	8,037
Depreciation 33	<b>941</b>	800	667
<b>Operating expenses</b>	<b>13,202</b>	10,609	8,704
Provision for loan losses 34	<b>617</b>	653	941
Release from fund for general banking risks 35	<b>(32)</b>	(20)	(101)
Value adjustments to financial fixed assets 36	<b>(43)</b>	35	97
<b>Total expenses</b>	<b>13,744</b>	11,277	9,641
Operating profit before taxes	<b>4,725</b>	4,250	2,897
Taxes 37	<b>1,324</b>	1,320	908
Operating profit after taxes	<b>3,401</b>	2,930	1,989
Extraordinary expenses 38	<b>900</b>		
Taxes on extraordinary result	<b>301</b>		
Extraordinary result after taxes	<b>599</b>		
Group profit after taxes	<b>2,802</b>	2,930	1,989
Minority interests 39	<b>304</b>	360	161
<b>Net profit</b>	<b>2,498</b>	2,570	1,828
Earnings per ordinary share	<b>1.63</b>	1.72	1.23
Fully diluted earnings per ordinary share	<b>1.62</b>	1.71	1.22
Dividend per ordinary share	<b>0.90</b>	0.80	0.58

## Notes to the consolidated balance sheet and income statement (unless otherwise stated, all amounts are in millions of euros)

### 1 Cash

This item includes legal tender and demand deposits with central banks in countries in which the bank has a presence.

### 2 Short-dated government paper

This item includes securities issued by public authorities, such as treasury paper, with original terms of two years or less, provided they can be refinanced with a central bank.

### 3 Banks (assets)

This item includes receivables, including professional securities transactions, from credit institutions, central banks and multilateral development banks not already recognised in cash. Securitised receivables are included in interest-earning securities or shares.

### 4 Loans and credit risk

This item includes amounts receivable in connection with loans, including professional securities transactions, insofar as they are not recognised in the item banks. Securitised receivables are included in interest-earning securities or shares.

In granting facilities and loans, the bank incurs a credit risk, i.e. the risk that the receivable will not be paid. This is related primarily to the balance sheet items banks, loans and interest-earning securities, and to off-balance sheet items. Concentration of credit risk could result in a material loss for the bank if a change in economic circumstances were to affect a whole industry or country.

#### Sector analysis of loans

	<b>2000</b>	1999
Public sector	<b>15,000</b>	12,097
Commercial	<b>148,102</b>	130,003
Retail	<b>101,540</b>	81,679
Professional securities transactions	<b>58,842</b>	40,742
Allowances for loan losses and cross-border risks	<b>(4,218)</b>	(4,798)
Loans	<b>319,266</b>	259,723

**Collateral for private sector loans**

Collateral is frequently demanded in connection with lending operations. The following table analyses private sector loans by type of collateral. Unsecured loans also include loans for which the bank has the right to require collateral.

	<b>2000</b>	1999
<i>Commercial</i>		
Public authority guarantees	<b>6,932</b>	6,109
Mortgages	<b>22,615</b>	18,974
Securities	<b>3,246</b>	2,337
Bank guarantees	<b>5,606</b>	3,114
Other types of collateral and unsecured	<b>109,703</b>	99,469
<b>Total commercial loans</b>	<b>148,102</b>	130,003
<i>Retail</i>		
Public authority guarantees	<b>6,392</b>	3,628
Mortgages	<b>74,496</b>	58,082
Other types of collateral and unsecured	<b>20,652</b>	19,969
<b>Total retail loans</b>	<b>101,540</b>	81,679

**Commercial loans by industry**

	<b>2000</b>	1999
Agriculture, mining and energy	<b>10,436</b>	10,718
Manufacturing	<b>36,751</b>	30,948
Construction and real estate	<b>17,972</b>	15,067
Wholesale and retail trade	<b>21,387</b>	19,257
Transportation and communications	<b>12,894</b>	10,451
Financial services	<b>17,260</b>	17,639
Business services	<b>15,091</b>	12,290
Education, health care and other services	<b>16,311</b>	13,633
<b>Total commercial loans</b>	<b>148,102</b>	130,003

**Movements in allowances for loan losses**

	<b>2000</b>	1999	1998
Opening balance	<b>4,458</b>	4,116	2,894
Currency translation differences and other movements	<b>233</b>	178	957
Write-offs	<b>(1,575)</b>	(771)	(527)
Received after write-off	<b>108</b>	119	77
	<b>3,224</b>	3,642	3,401
Addition from net interest revenue	<b>157</b>	138	77
<i>Addition from provision for loan losses</i>	<b>1,278</b>	1,085	1,073
<i>Transfer to provision for loan losses</i>	<b>(464)</b>	(407)	(435)
Net increase	<b>814</b>	678	638
Closing balance	<b>4,195</b>	4,458	4,116

**Cross-border risk**

Loans and other exposures are often not restricted to the country in which the facility is extended, but also involve banks, public authorities and other clients in foreign countries, and are mostly denominated in foreign currencies. The total cross-border exposure is very substantial but relates mainly to OECD countries. An increased risk on these outstandings would arise if and insofar as government measures or extreme economic conditions in specific countries were to restrict debt servicing. Until 2000 additional cross-border risk allowances were applied in such circumstances. As from December 2000, however, the existing country provision method was replaced by a system of sovereign provisions.

Under the new method only cross-border foreign currency debt of certain sovereigns is provisioned. The current value of US Treasury collateral issued as part of restructuring programmes is taken into account in determining actual sovereign risk allowances. A sovereign risk allowance is a kind of counterparty allowance, as where as a cross-border risk allowance is a general allowance on the total exposure to a country.

**Analysis of sovereign risk at 31 December 2000**

	<i>Net exposure</i>	<i>Risk allowances</i>
Central and Eastern Europe	<b>223</b>	91
Latin America and the Caribbean	<b>785</b>	118
Asia Pacific	<b>10</b>	7
Other countries	<b>89</b>	56
Total	<b>1,107</b>	272

**Movements in sovereign risk allowances**

	<b>2000</b>	1999	1998
Opening balance	<b>533</b>	494	410
Currency translation differences	<b>36</b>	74	(23)
Provision for loan losses	<b>(197)</b>	(25)	303
Other movements	<b>(100)</b>	(10)	(196)
Closing balance	<b>272</b>	533	494

Allowances for sovereign risks and cross-border risks respectively are charged to loans, banks and interest-bearing securities.

**Other**

The item loans includes subordinated debt amounting to EUR 22 million (1999: EUR 57 million) and leasing operations amounting to EUR 13,386 million (1999: EUR 10,910 million).

## 5 Securities

The balance sheet items short-dated government paper, interest-earning securities and shares include the investment portfolios, the trading portfolios, securitised receivables such as treasury paper and commercial paper, and equity participations. Interest-earning securities forming part of an investment portfolio, which principally consist of central government bonds, serve as a liquidity buffer among others. The bank attempts to maximise the return on these instruments through a policy of active management. Equity investments held on a long-term basis are also included in the investment portfolios.

The aforementioned balance sheet items can be analysed as follows:

	<b>2000</b>	1999
Investment portfolios	<b>67,893</b>	62,679
Trading portfolios	<b>52,305</b>	39,428
Short-dated government paper	<b>5,579</b>	3,114
Other bank paper	<b>3,207</b>	4,873
Other loan-style paper	<b>5,957</b>	4,631
Options	<b>3,307</b>	3,913
Equity participations	<b>2,098</b>	1,310
<b>Total securities</b>	<b>140,346</b>	119,948

of which:

	<i>Listed</i> <b>2000</b>	1999	<i>Unlisted</i> <b>2000</b>	1999
Public authority paper	<b>37,765</b>	43,579	<b>23,097</b>	11,271
Other interest-earning securities	<b>20,968</b>	16,109	<b>37,422</b>	31,999
Shares	<b>17,993</b>	15,542	<b>3,101</b>	1,448
<b>Total securities</b>	<b>76,726</b>	75,230	<b>63,620</b>	44,718

Listed securities include all securities which are traded on any stock exchange. Third parties hold legal title to part of the securities included in the portfolios. This is related to securities sold with repurchase commitments (EUR 11,639 million, 1999: EUR 8,163 million) and securities lending transactions (EUR 5,947 million, 1999: EUR 9,213 million). In addition, ABN AMRO borrowed securities totalling EUR 16,482 million (1999: EUR 7,075 million). These securities are not shown in the balance sheet. The item interest-earning securities includes securities of a subordinated nature totalling EUR 131 million (1999: EUR 32 million) and non-subordinated interest-earning securities issued by group companies totalling EUR 1,249 million (1999: EUR 1,028 million).

As part of its securities brokerage activities, the bank also trades in ABN AMRO shares. In addition, shares were repurchased on the stock exchange in connection with staff options granted and to cover positions with clients. At balance sheet date, the treasury stock position of group companies included 1.9 million ABN AMRO Holding N.V. ordinary shares. The corresponding amount of EUR 21 million has been deducted from reserves.



An amount of EUR 23,235 million is scheduled for redemption in 2001 on interest-earning securities.

### Investment portfolios

The analysis below shows the book value and the fair value of ABN AMRO's investment portfolios. Fair value is based on quoted prices for traded securities and estimated market value for non-traded securities.

	2000			1999		
	<i>Book value</i>	<i>Premiums or discounts</i>	<i>Fair value</i>	<i>Book value</i>	<i>Premiums or discounts</i>	<i>Fair value</i>
Dutch government	<b>6,503</b>	<b>17</b>	<b>6,682</b>	4,770	234	4,812
US Treasury and						
US government agencies	<b>4,235</b>	<b>(21)</b>	<b>4,260</b>	7,454	(123)	7,137
Other OECD governments	<b>19,853</b>	<b>313</b>	<b>20,475</b>	18,112	560	18,396
Mortgage-backed securities	<b>21,559</b>	<b>(89)</b>	<b>21,558</b>	17,900	(66)	17,284
Other interest-earning securities	<b>10,288</b>	<b>(73)</b>	<b>10,462</b>	9,628	31	9,847
Total interest-earning securities and short-dated government paper	<b>62,438</b>	<b>147</b>	<b>63,437</b>	57,864	636	57,476
Shares	<b>5,455</b>		<b>5,455</b>	4,815		4,815
Total investment portfolios	<b>67,893</b>		<b>68,892</b>	62,679		62,291

## Financial statements 2000

The book value of the investment portfolios developed during 2000 as follows:

	<i>Interest- earning</i>	<i>Shares</i>
Opening balance of banking business investment portfolio	55,182	1,496
Movements:		
• Purchases	61,100	739
• Sales	(43,703)	(368)
• Redemptions	(15,656)	
• Revaluations	11	32
• Currency translation differences	2,212	5
• Other	319	(236)
Closing balance of banking business investment portfolio	59,465	1,668
Closing balance of insurance business investment portfolio	2,973	3,787
<b>Total investment portfolios</b>	<b>62,438</b>	<b>5,455</b>
Revaluations included in closing balance		30
Diminutions in value included in closing balance		82

Premiums and discounts on the investment portfolios are amortised. The purchase price of the investment portfolios, including unamortised amounts from replacement transactions, was EUR 400 million below the redemption value.

### **Trading portfolios**

The following table analyses the composition of the trading portfolios.

	<b>2000</b>	1999
Dutch government	<b>1,534</b>	947
US Treasury and US government agencies	<b>8,519</b>	4,147
Other OECD governments	<b>16,071</b>	17,420
Other interest-earning securities	<b>15,947</b>	9,962
Total interest-earning securities	<b>42,071</b>	32,476
Shares	<b>10,234</b>	6,952
<b>Total trading portfolios</b>	<b>52,305</b>	39,428

**Other securities**

The following table analyses the book value and fair value of other securities.

	2000		1999	
	<i>Book value</i>	<i>Fair value</i>	<i>Book value</i>	<i>Fair value</i>
Short-dated government paper	<b>5,579</b>	<b>5,593</b>	3,114	3,139
Other bank paper	<b>3,207</b>	<b>3,207</b>	4,873	4,873
Other debt securities	<b>5,957</b>	<b>5,928</b>	4,631	4,535
<b>Total interest-earning securities</b>	<b>14,743</b>	<b>14,728</b>	12,618	12,547
Shares, options and corporate investment portfolio	<b>5,405</b>	<b>5,372</b>	5,223	5,252
<b>Total other securities</b>	<b>20,148</b>	<b>20,100</b>	17,841	17,799

**6 Participating interests**

This item includes equity participations held on a long-term basis for the purpose of business operations.

	2000	1999
Credit institutions	<b>916</b>	858
Other participating interests	<b>1,110</b>	1,026
<b>Total participating interests</b>	<b>2,026</b>	1,884
Development:		
Opening balance	<b>1,884</b>	1,057
Movements:		
• Purchases/increases	<b>196</b>	782
• Sales/reductions	<b>(202)</b>	(64)
• Revaluations	<b>(4)</b>	(4)
• Other	<b>152</b>	113
<b>Closing balance</b>	<b>2,026</b>	1,884
Revaluations included in closing balance	<b>2</b>	27

Participating interests with official stock exchange listings represented a book value of EUR 629 million (1999: EUR 794 million).

## 7 Property and equipment

	2000	1999
Real property used in operations	<b>3,376</b>	3,218
Other real property	<b>1,533</b>	357
Equipment	<b>1,904</b>	1,630
<b>Total property and equipment</b>	<b>6,813</b>	5,205

	Total	Property Used in operations	Other	Equipment
Development:				
Opening balance	<b>5,205</b>	3,218	357	1,630
Movements:				
• Purchases	<b>1,597</b>	363	231	1,003
• Sales	<b>(214)</b>	(74)	(94)	(46)
• Revaluations	<b>3</b>	3		
• Depreciation	<b>(941)</b>	(199)		(742)
• Acquisitions/dispositions ( <i>net</i> )	<b>1,157</b>	18	1,076	63
• Other	<b>6</b>	47	(37)	(4)
	<b>1,608</b>	158	1,176	274
Accumulated amounts:				
Replacement cost	<b>9,308</b>	4,426	1,534	3,348
Depreciation	<b>(2,495)</b>	(1,050)	(1)	(1,444)
<b>Closing balance</b>	<b>6,813</b>	3,376	1,533	1,904
Revaluations included in closing balance	<b>151</b>	148	3	

Legal title to property and equipment totalling EUR 34 million (1999: EUR 75 million) is held by third parties.

## 8 Other assets and other liabilities

These items include those amounts which are not of an accrued or deferred nature or which cannot be classified with any other balance sheet item. This concerns, for example, current tax assets (2000: EUR 97 million) and current tax liabilities (2000: EUR 927 million), deferred tax assets (2000: EUR 1,060 million), servicing rights, precious metals and other goods, balances of payment transactions still to be settled, short securities positions and market value of interest rate and currency contracts as part of trading activities.

## 9 Prepayments and accrued income and accruals and deferred income

These items include revenue and expenses recognised in the period under review but whose actual receipt or payment falls in a different period, as well as the total net difference between contract rates and spot rates on foreign exchange hedging operations.

## 10 Banks (liabilities)

This item comprises debts, including amounts on account of professional securities transactions, to credit institutions, central banks and multilateral development banks.

## 11 Total client accounts

This item includes total client balances held in current accounts, savings accounts and deposits, as well as debts on account of professional securities transactions and non-subordinated private loans.

	<b>2000</b>	1999
Savings accounts	<b>80,980</b>	71,729
Corporate deposits	<b>77,722</b>	65,931
Professional securities transactions	<b>43,020</b>	29,756
Other client accounts	<b>77,827</b>	62,576
Total client accounts	<b>279,549</b>	229,992

## 12 Debt securities

This item includes non-subordinated debt and other negotiable interest-bearing debt securities.

	<b>2000</b>	1999
Debentures and notes	<b>24,736</b>	17,277
Cash notes, savings certificates and bank certificates	<b>8,015</b>	7,795
Certificates of deposit and commercial paper	<b>27,532</b>	29,156
Total debt securities	<b>60,283</b>	54,228

The debentures are issued principally in the Dutch capital market and the Euromarket and are denominated mostly in euros and US dollars. The commercial paper programme is conducted mainly in the United States and is denominated in US dollars. The other debt securities are instruments used in markets in which ABN AMRO is active and are usually denominated in local currencies. At 31 December 2000, debt securities denominated in euros amounted to EUR 20,606 million and those denominated in US dollars to EUR 32,539 million.

## Financial statements 2000

At 31 December 2000, debt securities included EUR 728 million of variable rate obligations. In addition, EUR 1,477 million of debt securities had been converted into variable rate obligations through the use of asset-liability management derivatives contracts. The average interest rate on debentures and notes, adjusted to reflect the effect of asset-liability management derivatives contracts at year-end 2000, was 6.2%.

### Maturity analysis of debt securities

	2000	1999
Within one year	31,724	31,370
After one and within two years	3,385	3,994
After two and within three years	2,649	2,192
After three and within four years	2,532	1,443
After four and within five years	2,855	1,821
After five years	17,138	13,408
Total debt securities	60,283	54,228

### 13 Provisions

	2000	1999
Provision for deferred tax liabilities ( <i>see note 37</i> )	1,391	1,008
Provision for pension commitments	252	178
Provisions for payments to non-active employees	251	165
Insurance fund liabilities	9,984	8,539
Restructuring provision	837	
Other provisions	707	816
Total provisions	13,422	10,706

The provisions for payments to non-active employees relate to early retirement, total disability, contributions to medical expenses and other commitments. Insurance fund liabilities include the actuarial reserves and the premium and claims reserves of the group's insurance companies.

More details regarding the restructuring provision are given in note 38.

Provisions are generally long-term in nature.

## 14 Fund for general banking risks

The fund for general banking risks covers general risks associated with lending and other banking activities. The fund is net of tax and forms part of tier 1 capital; it is maintained partly in currencies other than the euro.

	<b>2000</b>	1999
Opening balance	<b>1,232</b>	1,140
Movements:		
Release to income statement	<b>(32)</b>	(20)
Tax on release	<b>11</b>	7
	<b>(21)</b>	(13)
Currency translation differences	<b>57</b>	98
Other	<b>51</b>	7
Closing balance	<b>1,319</b>	1,232

## 15 Subordinated debt

This item includes subordinated debentures and loans which, according to the standards applied by the Netherlands central bank, qualify for the consolidated capital adequacy ratio. It comprises debt subordinated to all other current and future liabilities of ABN AMRO Holding N.V. as well as borrowings of consolidated participating interests, including EUR 11,342 million raised by ABN AMRO Bank N.V. In general, early repayment, in whole or in part, is not permitted.

The average interest rate on subordinated debt was 6.9%.

### Maturity analysis of subordinated debt

	<b>2000</b>	1999
Within one year	<b>1,523</b>	261
After one and within two years	<b>703</b>	1,423
After two and within three years	<b>188</b>	681
After three and within four years	<b>487</b>	172
After four and within five years	<b>1,427</b>	459
After five years	<b>9,077</b>	7,721
Total subordinated debt	<b>13,405</b>	10,717

## Financial statements 2000

Subordinated debt at 31 December 2000 was denominated in euros to an amount of EUR 5,867 million and in US dollars to an amount of EUR 6,810 million, and included EUR 1,320 million of variable rate obligations.

### 16 Shareholders' equity

	2000	1999	1998
Share capital	1,676	1,658	1,645
Reserves	10,868	10,358	9,117
	12,544	12,016	10,762
Treasury stock	(21)	(29)	(39)
Total shareholders' equity	12,523	11,987	10,723

For further information reference is made to the section on changes in shareholders' equity.

#### Share capital

The authorised share capital of ABN AMRO Holding N.V. amounts to NLG 10,500,000,005 face value and consists of one priority share, four billion ordinary shares, one billion preference shares and one hundred million convertible preference shares, each of which is convertible into four ordinary shares.

The issued and paid-up share capital is made up of the following numbers of shares:

Priority share (face value NLG 5)	1
Ordinary shares (face value NLG 1.25)	1,502,301,875
Preference shares (face value NLG 5)	362,503,010
Convertible preference shares (face value NLG 5)	794,984

On 31 December 2000, 1,946,009 ordinary shares were repurchased in connection with staff options granted.

The preference shares are registered shares; the dividend has been fixed at 9.50% of the face value. This percentage has been adjusted per 1 January 2001 at 5.55% in the manner stipulated in the articles of association.

Dividend on convertible preference shares has been fixed at EUR 1.72 (rounded) per share per annum until the end of 2003. Holders of convertible preference shares can convert their shares into 3.2 million ordinary shares until 31 October 2003, on payment of EUR 0.79 (rounded) per ordinary share. If all rights are fully exercised, shareholders' equity would increase by an amount of EUR 862 million.



**Reserves**

	2000	1999	1998
Share premium account	<b>2,518</b>	2,480	2,454
Revaluation reserves	<b>300</b>	320	314
Reserves prescribed by law and articles of association	<b>207</b>	205	172
<i>General reserve</i>	<b>8,169</b>	7,777	6,816
<i>Exchange differences reserves</i>	<b>(326)</b>	(424)	(639)
Other reserves	<b>7,843</b>	7,353	6,177
Total reserves	<b>10,868</b>	10,358	9,117

The share premium account is regarded as paid-up capital for tax purposes.

Due to dispositions and depreciation, EUR 140 million of the revaluation reserves is regarded as realised. The remaining part is regarded as legal reserve. The expected stock dividend percentage (50%) for the final dividend was taken into consideration.

**Staff options**

Apart from Managing Board members and other top management, employees of ABN AMRO in the Netherlands are periodically offered the opportunity to acquire equity options whose value is related to the option exercise price. The exercise price of staff options is equal to the average of the highest and lowest ordinary share price quoted on the Amsterdam Exchanges' stock market on the date of grant. With effect from 2000, options granted to top management have a duration of seven years instead of the previous maximum of five years. However, the majority of the options is not exercisable during the first three years from the date of grant. Open periods have been established for senior management and other designated persons. This category of staff is not permitted to exercise its options outside the open periods, except on the expiration date and the preceding five working days, subject to certain conditions. In 2000, approximately 19,000 employees exercised the right to take equity options. At year-end 2000, approximately 25,000 employees held equity options.

## Financial statements 2000

In 1998, 1999 and 2000, the price of options exercised ranged from EUR 5.85 to EUR 24.32. If fully exercised, the options at year-end 2000 would have increased the number of ordinary shares by 42.0 million (see analysis below) and shareholders' equity by EUR 860 million.

<i>Year of expiration</i>	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>	<i>Low/high exercise price (in euros)</i>
2001	2,126	10.99	10.02-12.75
2002	6,242	16.60	15.38-18.60
2003	14,034	22.55	17.28-23.52
2004	10,680	20.73	18.10-24.32
2005	4,068	22.43	22.23-24.11
2006			
2007	4,866	21.30	21.30
<b>Total</b>	<b>42,016</b>	<b>20.46</b>	<b>10.02-24.32</b>

	<b>2000</b>		1999	
	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>	<i>Staff options (in thousands)</i>	<i>Average exercise price (in euros)</i>
<b>Movements:</b>				
Opening balance	<b>34,306</b>	<b>19.32</b>	28,103	17.99
Options granted to Managing Board members	<b>482</b>	<b>21.30</b>	322	18.13
Options granted to other top management	<b>4,489</b>	<b>21.28</b>	3,296	18.10
Other options granted	<b>6,906</b>	<b>22.28</b>	6,430	21.85
Options exercised	<b>(4,008)</b>	<b>14.91</b>	(3,818)	12.62
Options expired and forfeited	<b>(159)</b>	<b>19.54</b>	(27)	8.66
<b>Closing balance</b>	<b>42,016</b>	<b>20.46</b>	34,306	19.33

To settle the options granted, with effect from 1 January 2001, ABN AMRO will make available each year new ordinary shares up to 1% of the issued ordinary shares. The total of outstanding options that will be settled through the issuance of new ordinary shares will not exceed 10% of the issued ordinary shares. To settle additional options granted above these limits, ABN AMRO will repurchase shares in the open market or hedge these options through derivative transactions.

Deliveries on options exercised in 2000 were made from share repurchases on the date of grant (700,000 shares) and from new shares issued on the exercise date (3,308,000 shares).

If ABN AMRO had based the cost of staff options granted in 2000 at the fair value of the options at the date of grant instead of the intrinsic value of the options, net profit and earnings per ordinary share would have been EUR 65 million and EUR 0.04 lower respectively.

## 17 Minority interests

This item comprises the share of third parties in the equity of subsidiaries and other group companies, as well as preferred stock issued to third parties by subsidiaries in the United States. The right to repayment of this preferred stock is in all cases vested in the issuing institution but repayment is also subject to approval of the supervisory authorities. If this right is not exercised, preference shares without fixed dividend entitlement qualify for a dividend step-up. In terms of dividend and liquidation rights, Trust preferred shares are comparable to ABN AMRO Holding N.V. preference shares.

	2000	1999	1998
Cumulative preference shares		109	94
Non-cumulative preference shares			
• Trust preferred shares with fixed dividend	<b>2,689</b>	2,488	1,070
• Other shares with fixed dividend	<b>480</b>	547	471
• Other shares with dividend step-up	<b>1,027</b>	1,209	1,040
Other minority interests	<b>1,091</b>	592	855
Total	<b>5,287</b>	4,945	3,530

	2000	1999	1998
Opening balance	<b>4,945</b>	3,530	2,054
Currency translation differences	<b>413</b>	556	(195)
Issue of preference shares		1,180	1,133
Redemption of preference shares	<b>(528)</b>		
Other movements	<b>457</b>	(321)	538
Closing balance	<b>5,287</b>	4,945	3,530

## 18 Capital adequacy

The standards applied by the Netherlands central bank for the principal capital ratios are based on the capital adequacy guidelines of the European Union and the Basle Committee for Banking Supervision. These ratios compare the bank's total capital and tier 1 capital with the total of risk-weighted assets and off-balance sheet items and the market risk associated with the trading portfolios. The minimum requirement for the total capital ratio and tier 1 ratio is 8% and 4% respectively of risk-weighted assets.

## Financial statements 2000

The following table analyses actual capital and the minimum standard in accordance with supervisory requirements.

	2000		1999	
	<i>Required</i>	<i>Actual</i>	<i>Required</i>	<i>Actual</i>
Total capital	<b>21,108</b>	<b>27,421</b>	19,710	26,764
Total capital ratio	<b>8.0%</b>	<b>10.39%</b>	8.0%	10.86%
Tier 1 capital	<b>10,554</b>	<b>19,010</b>	9,855	17,735
Tier 1 capital ratio	<b>4.0%</b>	<b>7.20%</b>	4.0%	7.20%

## 19 Accounts with participating interests

Amounts receivable from and payable to participating interests included in the various balance sheet items totalled:

	2000	1999
Banks ( <i>assets</i> )	<b>10</b>	17
Loans	<b>216</b>	194
Banks ( <i>liabilities</i> )	<b>380</b>	84
Total client accounts	<b>48</b>	16

## 20 Maturity

Short-dated liabilities and demand deposits are generally matched by cash, assets that can be realised at short notice or lending operations as part of the interest rate risk policy. The balance sheet is already presented in descending order of liquidity. A number of items containing assets or liabilities with varying maturities are analysed in the table in this note. This analysis does not include liquid assets such as cash and short-dated government paper and the bond investment portfolios, which by their nature can be realised at short notice. In every country in which ABN AMRO is active, liquidity satisfies the standards imposed by the supervisory authorities.

**Maturity analysis** (in billions of euros)

	On demand	≤ 3 months	3 m - ≤ 1 yr	1 yr - ≤ 5 yr	> 5 yr
Banks (liabilities)	14	65	17	4	2
Savings accounts	46	19	10	6	
Deposits and other client accounts (including professional securities transactions)	58	106	22	8	5
Debt securities		20	12	11	17
Subordinated debt			1	3	9
Banks (assets)	14	22	11	1	1
Loans	22	106	39	62	90

**21 Currency position**

Of total assets and total liabilities, amounts equivalent to EUR 343 billion and EUR 332 billion respectively are denominated in currencies other than the euro. Positions arising from balance sheet items are generally hedged by foreign exchange contracts not included in the balance sheet. The actual currency positions arising out of the bank's proprietary foreign exchange dealing activities are of limited size. Capital invested in operations outside the Netherlands is largely funded in euros. Part of the resulting currency positions is used to offset movements in required capital for foreign-currency risk-bearing assets, which is also due to exchange rate fluctuations. Similar reasoning lies behind the policy of issuing preferred stock and subordinated debt in foreign currencies.

**22 Collateral provided**

In connection with collateral provided for specific liabilities and off-balance sheet commitments, as well as for transactions in financial markets, specific assets are not freely available. This relates to cash (EUR 4.1 billion), banks (EUR 0.1 billion), securities (EUR 6.5 billion) and loans (EUR 21.7 billion). Collateral has been provided for liabilities included in the items banks (EUR 16.0 billion), total client accounts (EUR 6.5 billion) and other liabilities (EUR 5.8 billion).

**23 Contingent liabilities**

	2000	1999
Commitments with respect to guarantees granted	43,633	39,254
Commitments with respect to irrevocable letters of credit	5,291	4,243
Commitments with respect to recourse risks arising from discounted bills	120	64
	<b>49,044</b>	43,561

## 24 Derivatives

Derivatives are financial instruments, the contracted or notional amounts of which are not included in the balance sheet either because rights and obligations arise out of one and the same contract, the performance of which is due after balance sheet date, or because the notional amounts serve merely as variables for calculation purposes. Examples of derivatives are forward exchange contracts, options, swaps, futures and forward rate agreements. The underlying value may involve interest rate, currency, commodity, bond or equity products or a combination of these. Derivatives transactions are conducted as a trading activity (also on behalf of clients) and as a hedge against ABN AMRO's own interest rate and currency exposure.

The degree to which ABN AMRO is active in the respective markets or market segments is shown in the following analysis by means of notional amounts (including maturity profile based on remaining term). The notional amounts, however, give no indication of the size of the cash flows and the market risk or credit risk attaching to derivatives transactions.

The market risk arises from movements in variables determining the value of derivatives, such as interest rates and quoted prices. The credit risk is the loss that would arise if a counterparty were to default. This is related, however, to the market risk since the extent of the credit risk is in part determined by actual and expected market fluctuations. In calculating the credit risk shown in the table below, netting agreements and other collateral have not been taken into consideration.

### Derivatives transactions *(in billions of euros)*

		Notional amounts			Total	Credit risk
		≤ 1 yr	1 yr - ≤ 5 yr	> 5 yr		
<b>Interest rate contracts</b>						
OTC	Swaps	302	389	307	998	15
	Forwards	118	7		125	
	Options	71	153	54	278	2
Exchange-traded	Futures	117	22	2	141	
	Options	22	3		25	
<b>Currency contracts</b>						
OTC	Swaps	33	82	33	148	5
	Forwards	434	19	1	454	12
	Options	51	3		54	1
Exchange-traded	Futures	1			1	
	Options	2			2	
<b>Other contracts</b>						
OTC	Forwards/Swaps	5	1		6	
	Options	9	31		40	1
Exchange traded	Futures	2			2	
	Options	16	9	3	28	
<b>Total derivatives</b>		<b>1,183</b>	<b>719</b>	<b>400</b>	<b>2,302</b>	<b>36</b>

The tables below give an indication of the notional amounts and (average) market values of the principal types of trading portfolio contracts and hedging portfolio contracts (i.e. contracts entered into as part of the bank's interest rate and exchange rate policies). Intercompany transactions between hedging and trading portfolios have not been eliminated from the figures.

#### Trading portfolio derivatives transactions in 2000

	Notional Amounts	Market value		Average market value	
		Positive	Negative	Positive	Negative
<i>Interest rate contracts</i>					
Swaps	1,011,770	16,697	14,419	14,653	13,112
Forwards	124,040	127	153	128	131
Options purchased	153,403	1,670		1,678	
Options sold	164,725		1,910		2,078
Futures	134,682				
<b>Total interest rate contracts</b>	<b>1,588,620</b>	<b>18,494</b>	<b>16,482</b>	<b>16,459</b>	<b>15,321</b>
<i>Currency contracts</i>					
Swaps	130,275	5,586	7,262	5,736	6,404
Forwards	451,718	11,587	9,856	11,209	9,412
Options purchased	26,588	655		598	
Options sold	30,115		616		559
Futures	1,312				
<b>Total currency contracts</b>	<b>640,008</b>	<b>17,828</b>	<b>17,734</b>	<b>17,543</b>	<b>16,375</b>
<i>Other contracts</i>					
Equity options purchased	30,564	1,222		1,954	
Equity options sold	39,107		2,877		3,480
Other equity and commodity contracts	8,977	56	166	90	125
<b>Total other contracts</b>	<b>78,648</b>	<b>1,278</b>	<b>3,043</b>	<b>2,044</b>	<b>3,605</b>

#### Trading portfolio derivatives transactions in 1999

	Notional Amounts	Market value		Average market value	
		Positive	Negative	Positive	Negative
Interest rate contracts	1,391,319	17,545	15,849	17,326	17,728
Currency contracts	608,404	13,415	13,112	12,764	11,837
Other contracts	57,187	2,110	3,676	1,895	3,453

### Hedging portfolio derivatives transactions

	Notional amounts	2000		Notional amounts	1999	
		Market value Positive	Market value Negative		Market value Positive	Market value Negative
<i>Interest rate contracts</i>						
Swaps	125,138	2,295	2,377	85,688	2,243	1,702
Forwards	4,598	2	2	9,720	10	10
Options purchased	19,788	338		7,980	130	
Futures	6,266			15,773	69	2
<b>Total interest rate contracts</b>	<b>155,790</b>	<b>2,635</b>	<b>2,379</b>	119,161	2,452	1,714
<i>Currency contracts</i>						
Swaps	12,148	300	275	8,948	352	184
Forwards	16,000	295	223	24,871	400	654
Options purchased	6,107	103		4,486	32	
<b>Total currency contracts</b>	<b>34,255</b>	<b>698</b>	<b>498</b>	38,305	784	838

### Derivatives and capital adequacy requirements

In determining the capital adequacy requirement, both existing and future credit risk is taken into account. To this end the current potential loss, i.e. the positive replacement value based on market conditions at balance sheet date, is increased by a percentage of the relevant notional amounts, depending on the nature and remaining term of the contract. This method takes into account the possible adverse development of the positive replacement value during the remaining term of the contract. The analysis below shows the resulting credit equivalent, both unweighted and weighted for the counterparty risk (mainly banks). The figures allow for the downward impact of netting agreements and other collateral on risk exposure and capital adequacy.

### Credit equivalent (in billions of euros)

	2000	1999
Interest rate contracts	25.4	23.8
Currency contracts	30.6	26.0
Other contracts	4.3	3.4
	<b>60.3</b>	53.2
Effect of contractual netting	27.1	21.1
	<b>33.2</b>	32.1
Unweighted credit equivalent		
	<b>9.7</b>	8.8
Weighted credit equivalent		



## 25 Memorandum items

Apart from the memorandum items stated, non-quantified guarantees have been given for the bank's securities custody operations, for interbank bodies and institutions and for participating interests. Collective guarantee schemes are applicable to group companies in various countries. Furthermore, statements of liability have been issued for a number of group companies.

Legal proceedings have been initiated against ABN AMRO in a number of jurisdictions, but on the basis of information currently available, and having taken counsel with legal advisers, the Managing Board is of the opinion that the outcome of these proceedings is unlikely to have a material adverse effect on the consolidated financial position and the consolidated operations of ABN AMRO.

For 2001, investment in property and equipment is estimated at EUR 1.2 billion, of which ABN AMRO is already committed to an amount of EUR 175 million.

Though ABN AMRO has sold a part of its loan portfolio, partly through credit-enhanced or non-credit enhanced securitisation, it still holds legal title to some of these loans. In most cases these loans are also serviced by ABN AMRO. Besides, the bank services loans granted by other institutions. The table below states the outstandings at 31 December 2000.

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Legal title to loans sold	6,029
Loans serviced for third parties	109,476
Loans sold with credit enhancement	11,534

Future rental commitments at 31 December 2000 for long-term lease contracts were as follows:

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2001	233
2002	218
2003	197
2004	177
2005	153
Years after 2005	905

## 26 Net interest revenue

This item comprises interest revenue from loans, investments, other lending, interest expense on borrowings by ABN AMRO and client accounts, as well as the results from interest rate and foreign exchange contracts entered into for hedging purposes. Also included is other revenue from loans. Interest revenue from interest-earning securities amounted to EUR 6,621 million (1999: EUR 4,746 million). Interest expense on subordinated debt totalled EUR 816 million (1999: EUR 695 million).

## 27 Revenue from securities and participating interests

This item includes the share in net profit or loss of participating interests on which ABN AMRO exercises a significant influence. Also included are dividends received from shares and other participating interests, as well as the results from sales of shares from the investment portfolio and investments in participating interests insofar as these are not treated as value adjustments to financial fixed assets.

	<b>2000</b>	1999	1998
Revenue from shares and equity participations	<b>130</b>	119	99
Revenue from participating interests	<b>321</b>	238	249
<b>Total revenue from securities and participating interests</b>	<b>451</b>	357	348

## 28 Net commissions

This item includes revenue from securities brokerage, domestic and international payments, asset management, insurance, leasing and other services. Amounts paid to third parties are shown as commission expense.

	<b>2000</b>	1999	1998
Securities brokerage	<b>2,405</b>	1,710	1,437
Payment services	<b>1,385</b>	1,176	778
Asset management and trust	<b>712</b>	560	404
Insurance	<b>212</b>	176	155
Guarantees	<b>163</b>	139	117
Leasing	<b>158</b>	123	94
Other	<b>845</b>	571	403
<b>Total commissions</b>	<b>5,880</b>	4,455	3,388

## 29 Results from financial transactions

This item includes the results from foreign exchange dealing, securities trading, derivatives transactions, as well as trading in LDC debt securities which is included in the 'other' item, and currency translation differences on investments – other than those included in tangible fixed assets – in branches, subsidiaries and participating interests in hyper-inflationary countries.

	2000	1999	1998
Securities trading	426	417	527
Foreign exchange dealing	570	499	531
Derivatives transactions	508	371	188
Other	65	87	(93)
<b>Total result from financial transactions</b>	<b>1,569</b>	<b>1,374</b>	<b>1,153</b>

## 30 Other revenue

This includes revenue from property development, other revenue from leasing activities and results from the insurance companies forming part of the group. The insurance companies achieved the following results:

	Life	Non-life
Net premium income	1,679	567
Investment income	207	92
Insurance expenses	(1,759)	(563)
<b>Total result of insurance companies</b>	<b>127</b>	<b>96</b>

## 31 Staff costs

	2000	1999	1998
Salaries <i>(including bonuses, etc.)</i>	5,754	4,516	3,605
Pension costs	187	140	151
Social insurance and other staff costs	1,519	1,112	900
<b>Total staff costs</b>	<b>7,460</b>	<b>5,768</b>	<b>4,656</b>
<i>Average number of employees (headcount):</i>			
Netherlands	38,476	36,976	35,387
Other countries	74,916	71,713	47,880
<b>Total average number of employees (headcount)</b>	<b>113,392</b>	<b>108,689</b>	<b>83,267</b>

### 32 Other administrative expenses

This item includes office overhead, automation costs, advertising costs and other general expenses.

ABN AMRO also leases premises and space in other buildings for its principal activities. The leases generally are renewable and provide for payment of rent and certain other occupancy expenses. Total rent expense for all contracts amounted to EUR 341 million in 2000, EUR 262 million in 1999 and EUR 244 million in 1998.

### 33 Depreciation

This item is made up of depreciation of buildings and equipment.

### 34 Provision for loan losses

This item includes provisions for uncollectable outstandings.

### 35 Addition to the fund for general banking risks

This item includes the addition to or release from the fund, management's intention being to maintain the fund at a level equal to approximately 0.5% of risk-weighted total assets.

### 36 Value adjustments to financial fixed assets

Financial fixed assets include the bond and equity investment portfolios and participating interests on which the bank does not exercise an influence. Diminutions in value of the bond investment portfolio may relate to a permanent deterioration of the debtor's quality. These diminutions in value and the diminutions in value below the purchase price of shares and participating interests on which no influence is exercised, together with amounts released in respect of earlier diminutions in value, are included in this item. Results from dispositions below purchase price are likewise treated as diminutions in value.

### 37 Taxes

The overall effective tax rate decreased from 31.1% in 1999 to 28.0% in 2000 (including restructuring charge 26.7%).

	<b>2000</b>	1999	1998
Dutch tax rate	<b>35.0%</b>	35.0%	35.0%
Effect of tax rate in other countries	<b>(2.5%)</b>	(1.3%)	(1.1%)
Effect of tax-exempt revenue in the Netherlands	<b>(4.1%)</b>	(3.1%)	(3.1%)
Other	<b>(0.4%)</b>	0.5%	0.5%
Overall effective tax rate	<b>28.0%</b>	31.1%	31.3%

Taxes amounted to EUR 1,023 million, including EUR 187 million (1999: EUR 279 million) in

Total amount of taxation credited to shareholders' equity during the year amounted to EUR 31 million.

The provision for deferred tax liabilities relates to tax liabilities that will arise in the future owing to the difference between the book value of specific assets and liabilities and their valuation for tax purposes. The following analysis shows deferred tax liabilities and assets.

	<b>2000</b>	1999
<i>Deferred tax liabilities</i>		
Buildings	<b>256</b>	154
Pensions and other post-retirement and post-employment arrangements	<b>228</b>	173
Derivatives	<b>165</b>	160
Leases and similar financial contracts	<b>490</b>	326
Servicing rights	<b>383</b>	247
Other	<b>415</b>	206
Total	<b>1,937</b>	1,266
<i>Deferred tax assets</i>		
Allowances for loan losses	<b>274</b>	300
Investment portfolios	<b>31</b>	255
Carry forward losses of foreign operations	<b>714</b>	678
Restructuring charge	<b>134</b>	
Tax credits	<b>301</b>	
Other	<b>658</b>	412
Deferred tax assets before valuation allowances	<b>2,112</b>	1,645
Less: valuation allowances	<b>506</b>	415
Deferred tax assets after valuation allowances	<b>1,606</b>	1,230

Deferred tax assets and liabilities are discounted to their net present value on the basis of net interest where the original term of the temporary difference is longer than 5 years. The nominal value of deferred tax assets amounts to EUR 1,729 million and of deferred tax liabilities to EUR 2,044 million. For discounted deferred tax assets the net interest rate applied as a discount factor is 14% and the average remaining life is three years. For discounted deferred tax liabilities, the net interest rate applied as a discount factor is 4% and the average remaining life is 20 years.

Deferred tax assets are recognised, to the extent possible, net of a valuation allowance. The main component of the valuation allowance relates to carry forward losses. The amount of deferred tax assets, likely to be recovered within one year, is EUR 426 million.

## Financial statements 2000

At December 31, 2000 carry forward losses of foreign operations expire as follows:

2001	31
2002	73
2003	261
2004	304
2005	199
Years after 2005	1,319
Total	2,187

ABN AMRO considers a significant portion of its approximately EUR 4.0 billion in distributable invested capital to be permanently invested. If such capital were distributed no foreign income taxes would be required to be paid. The estimated impact of foreign withholding tax is EUR 120 million.

### 38 Extraordinary expenses

Within the scope of the new strategy and related extensive reorganisation, restructuring plans have been proposed by the newly formed Strategic Business Units. The Managing Board authorised and communicated those plans and therewith committed ABN AMRO up to EUR 900 million. Because of the non recurring character of these plans the estimated costs of EUR 900 million are considered to be extraordinary expenses. Of the total EUR 63 million has been utilised in 2000.

Main elements of the charge relate to:

Staff reduction	530
Write-off of assets	120
Other costs	250
Total	900

### 39 Minority interests

This item comprises the share of third parties in results from subsidiaries and other group companies, as well as dividends on preferred stock issued by subsidiaries in the United States.

	2000	1999	1998
Dividends on preference shares	245	209	123
Other minority interests	59	151	38
Total minority interests	304	360	161

## 7. INTERIM FINANCIAL STATEMENTS

Holding publishes Interim Financial Statements in respect of each three-month period following the date of the last published Annual Financial Statements.

### Consolidated profit and loss account nine months 2001

(in millions of euros)

	third quarter			nine months		
	2001	2000	% change	2001	2000	% change
Net interest revenue	2,539	2,369	7.2	7,461	6,882	8.4
Revenue from securities and participating interests	81	179	(54.7)	350	393	(10.9)
Payment services	324	359	(9.7)	1,036	1,021	1.5
Insurance	49	53	(7.5)	167	164	1.8
Securities	407	538	(24.3)	1,286	1,868	(31.2)
Asset management and trust funds	222	184	20.7	673	520	29.4
Guarantees	36	38	(5.3)	115	119	(3.4)
Leasing	46	46		134	113	18.6
Other	184	204	(9.8)	497	626	(20.6)
Net commissions	1,268	1,422	(10.8)	3,908	4,431	(11.8)
Securities	175	98	78.6	698	333	109.6
Foreign exchange dealing	109	138	(21.0)	333	449	(25.8)
Derivatives	141	128	10.2	358	412	(13.1)
Trading LDC-portfolio	4	17	(76.5)	23	30	(23.3)
Other	(89)	9		(166)	87	
Results from financial transactions	340	390	(12.8)	1,246	1,311	(5.0)
Other revenue	446	271	64.6	1,143	780	46.5
<b>Total revenue</b>	<b>4,674</b>	<b>4,631</b>	<b>0.9</b>	<b>14,108</b>	<b>13,797</b>	<b>2.3</b>
Staff costs	1,949	1,829	6.6	5,838	5,477	6.6
Other administrative expenses	1,282	1,255	2.2	3,772	3,520	7.2
Depreciation	225	245	(8.2)	714	695	2.7
<b>Operating expenses</b>	<b>3,456</b>	<b>3,329</b>	<b>3.8</b>	<b>10,324</b>	<b>9,692</b>	<b>6.5</b>
<b>Operating result</b>	<b>1,218</b>	<b>1,302</b>	<b>(6.5)</b>	<b>3,784</b>	<b>4,105</b>	<b>(7.8)</b>
Provisioning for loan losses / FAR	308	154	100.0	828	473	75.1
Value adjustments to financial fixed assets	52	(47)		58	(78)	
<b>Operating profit before taxes</b>	<b>858</b>	<b>1,195</b>	<b>(28.2)</b>	<b>2,898</b>	<b>3,710</b>	<b>(21.9)</b>
Taxes	329	311	5.8	872	1,029	(15.3)
<b>Operating profit after taxes</b>	<b>529</b>	<b>884</b>	<b>(40.2)</b>	<b>2,026</b>	<b>2,681</b>	<b>(24.4)</b>
Extraordinary revenues				962		
<b>Group profit after taxes</b>	<b>529</b>	<b>884</b>	<b>(40.2)</b>	<b>2,988</b>	<b>2,681</b>	<b>11.5</b>
Minority interests	53	88	(39.8)	196	260	(24.6)
<b>Net profit</b>	<b>476</b>	<b>796</b>	<b>(40.2)</b>	<b>2,792</b>	<b>2,421</b>	<b>15.3</b>
Preference share dividend	12	20	(40.0)	35	60	(41.7)
<b>Net profit, available to common shareholders</b>	<b>464</b>	<b>776</b>	<b>(40.2)</b>	<b>2,757</b>	<b>2,361</b>	<b>16.8</b>
Earnings per common share of EUR 0.56 (in euros)*	0.30	0.52	(42.3)	1.19	1.60	(25.6)
Average exchange EUR/USD-rate	0.90	0.90		0.89	0.93	(4.3)

\*Excluding sale EAB, restructuring charge and based on the average number of common shares outstanding.

The figures have not been audited.

## Consolidated balance sheet as at 30 September after profit appropriation

(in millions of euros)

	30 Sep 2001	31 Dec 2000	% change
<b>Assets</b>			
Cash	20,018	6,456	210.1
Short-dated government paper	7,280	11,199	(35.0)
Banks	54,568	48,581	12.3
<i>Loans to public sector</i>	14,857	14,974	(0.8)
<i>Loans to private sector</i>	247,789	245,450	1.0
<i>Professional securities transactions</i>	89,389	58,842	51.9
Loans	352,035	319,266	10.3
Interest-earning securities	117,660	108,053	8.9
Shares	12,735	17,787	(28.4)
Participating interests	2,191	2,026	8.1
Property and equipment	6,830	6,813	0.2
Other assets	12,543	11,071	13.3
Prepayments and accrued income	11,886	11,917	(0.3)
	<u>597,746</u>	<u>543,169</u>	10.0
<b>Liabilities</b>			
Banks	148,981	101,510	46.8
<i>Saving accounts</i>	81,682	80,980	0.9
<i>Deposits and other customer accounts</i>	156,567	155,549	0.7
<i>Professional securities transactions</i>	47,263	43,020	9.9
Total client accounts	285,512	279,549	2.1
Debt securities	59,664	60,283	(1.0)
Other liabilities	45,430	41,080	10.6
Accruals and deferred income	11,945	14,791	(19.2)
Provisions	13,505	13,422	0.6
	565,037	510,635	10.7
Fund for general banking risks	1,356	1,319	2.8
Subordinated liabilities	15,526	13,405	15.8
<i>Shareholders' equity</i>	11,065	12,523	(11.6)
<i>Minority interests</i>	4,762	5,287	(9.9)
Group equity	15,827	17,810	(11.1)
Group capital	<u>32,709</u>	<u>32,534</u>	0.5
	<u>597,746</u>	<u>543,169</u>	10.0
Contingent liabilities	48,314	49,044	(1.5)
Committed liabilities	140,646	138,457	1.6
Exchange EUR/USD-rate	0.91	0.93	(2.2)

The figures have not been audited.



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### III CONDITIONS : GENERAL CONDITIONS

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*The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

2. STATUS

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

3. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by applicable law, pay to each Holder in respect of each Security held by him an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

(a) Validity. Unless otherwise specified in an Offering Supplement, announcements to Holders will be valid if delivered to the Clearing Agent(s).

- (b) Delivery. Any such announcement issued pursuant to General Condition 4(a) shall be deemed to be effective on the day following its delivery to the Clearing Agent (and if delivered to more than one Clearing Agent on the date first delivered to a Clearing Agent) or, if published as specified in the relevant Offering Supplement on the date of such publication (and if published in more than one country then on the date first published).

5. PURCHASES ,FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

- (a) Purchases. The Issuer may at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, surrendered for cancellation or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original series of Securities.
- (b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Holders or any of them to create and issue further securities so as to be consolidated with and form a single series with the Securities.
- (c) Prescription. Any Security or Coupon which is capable of presentation and is not so presented by its due date for presentation shall be void, and its value reduced to zero, if not so presented within five years of such due date. For the avoidance of doubt, any Securities which are subject to provisions relating to their exercise shall be void, and their value shall be zero, if not exercised in accordance with their provisions.

6. DETERMINATIONS AND MODIFICATIONS

- (a) Determinations. Any determination made by the Issuer shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) Modifications. The Issuer may without the consent of the Holders or any of them, modify any provision of the Conditions which is (1) of a formal, minor or technical nature, (2) made to correct a manifest error, or (3) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

7. SUBSTITUTION

- (a) Substitution of Issuer. The Issuer may at any time, without the consent of the Holders substitute for itself as principal obligor under the Securities any

company (the ‘**Substitute**’), being any subsidiary or affiliate of the Issuer, subject to: (1) the obligation of the Substitute under the Securities being guaranteed by ABN AMRO Holding N.V. (‘**Holding**’) (unless Holding is the Substitute); (2) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and (3) the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4. In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from such time be construed as a reference to the Substitute.

- (b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

## 8. TAXATION

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay, any tax, duty or charge in connection with, the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Holder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such holder.

## 9. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other place of which

notice shall have be given to Holders in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

10. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:
- (1) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;
  - (2) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and
  - (3) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (b) Adjustment to Conditions. The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General

Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

- (c) Euro Conversion Costs, etc. Notwithstanding General Condition 10(a) and/or General Condition 10(b), none of the Issuer, the Calculation Agent and any Agent (including the Principal Agent) shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.
- (d) Definitions Relating to European Economic and Monetary Union. In this General Condition, the following expressions have the meanings set out below.

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 L (4) of the Treaty;

“**National Currency Unit**” means the unit of the currency of a country as those units are defined on the day before the start of the third stage of European Economic and Monetary Union pursuant to the Treaty or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage; and

“**Treaty**” means the treaty establishing the European Community.

## 11. AGENTS

- (a) Principal Agent and Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any agent (the “**Agent**”) and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the “**Principal Agent**”) shall become effective until a

replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as Agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

- (b) Calculation Agent. The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor Calculation Agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Where the Issuer acts in the capacity of the Calculation Agent it does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In any event, any calculations or determinations in respect of the Securities made by the Calculation Agent (whether or not the Issuer) shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

The Calculation Agent (except where it is the Issuer) may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate. Where the Calculation Agent is the Issuer it may delegate any of its obligations and functions to a third party as it deems appropriate.

12. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any Condition. The preceding sentence shall not affect any right or remedy of any person which exists or is available apart from that Act.

14. RULES AND REGULATIONS OF THE OFFICIAL MARKET OF EURONEXT AMSTERDAM N.V.'S STOCK MARKET (*FONDSENREGLEMENT VAN DE VERENIGING VOOR DE EFFECTENHANDEL*)

The Issuer undertakes to comply, so long as the Securities are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., with the provisions (so far as applicable) of Schedule B, Article 2.1.20 (Sections B to G inclusive) of the Listing Rules (*Fondsenreglement*) of Euronext Amsterdam N.V. as in force at the date of issue of the Securities.

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### III CONDITIONS : PRODUCT CONDITIONS

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*THE FOLLOWING PAGES SET OUT SPECIMENS OF THE FORMS OF PRODUCT CONDITIONS APPLICABLE TO THE TYPES OF INSTRUMENTS SPECIFIED. THESE SPECIMEN FORMS MAY FROM TIME TO TIME AND WITHOUT NOTICE TO OR CONSENT FROM EXISTING HOLDERS BE SUPPLEMENTED BY FURTHER OR ADDITIONAL SPECIMEN FORMS OF PRODUCT CONDITIONS*

#### INDEX OF FORMS OF SPECIMEN PRODUCT CONDITIONS

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**III CONDITIONS : 1. FORM OF SPECIMEN PRODUCT CONDITIONS**  
**RELATING TO SINGLE STOCK EQUITY LINKED NOTES**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>i</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>ii</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$[\bullet] \times \text{Nominal Amount} \times \left( \frac{\text{Final Reference Price}}{\text{Initial Reference Price}} \right)$$

[provided that the Cash Amount shall not be less than the Nominal Amount]<sup>iii</sup>. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>iv</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>v</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [Insert Name] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>vi</sup>

“**Exchange**” means [· ]<sup>vii</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>viii</sup>

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount equal to the price of a Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Form**” means [Definitive / Global]<sup>ix</sup>;

“**Initial Reference Price**” means [· ]<sup>x</sup>, subject to adjustment in accordance with Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Nominal Amount**” means [ccy] [amount]<sup>xi</sup>;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [the / up to] [quantity]<sup>xii</sup> cash settled notes relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>xiii</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Share**” means [· ] (CUSIP / ISIN [· ]) <sup>xiv</sup>, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means [· ] <sup>xv</sup>;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [· ] <sup>xvi</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[•]/close of trading on the relevant Exchange in relation to a Share] <sup>xvii</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the “**Holder**”) of a Security shall be recognised by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant

Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case may be) of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term **'Holder'** shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. RIGHTS AND PROCEDURES

- (a) **Redemption on the Settlement Date.** Unless previously redeemed or purchased and cancelled and subject as provided by the Conditions, each Security will be redeemed by the Issuer, in respect of each Nominal Amount, at the Cash Amount, such redemption to occur on the Settlement Date.
- (b) **Interest.** The Securities bear no interest and no payment shall be made on account thereof.
- (c) **Method of Payment.** Subject as provided below, where the Cash Amount is in a currency other than euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount is in euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed to be in Global form, payments will be made via a Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (d) **Presentation and Surrender.** Payment of the Cash Amount will be made against surrender of the Security by or on behalf of the Holder at the specified office of the relevant Agent. The Issuer shall record all payments made to the

relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. The bearer of a Security, or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.

- (e) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (f) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount.
- (g) Expenses. In respect of each Security, all Expenses in respect thereof shall be for the account of the relevant Holder and no payment of the Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (h) Settlement Risk. Settlement of the Securities is subject to all applicable laws, regulations and practices in force on the Settlement Date and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
  - (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the

adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below.
- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
  - (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by

him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or

- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.



**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

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**III CONDITIONS : 2. FORM OF SPECIMEN PRODUCT CONDITIONS**  
**RELATING TO EQUITY INDEX LINKED NOTES**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$[\bullet] \times \text{Nominal Amount} \times \left( \frac{\text{Final Reference Price}}{\text{Initial Reference Price}} \right)$$

[provided that the Cash Amount shall not be less than the Nominal Amount]<sup>11</sup>. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Form**” means [Definitive / Global]<sup>17</sup>;

“**Index**” means [· ]<sup>xviii</sup>, subject to Product Condition 4;

“**Index Sponsor**” means [· ]<sup>xix</sup> and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Initial Reference Price**” means [· ]<sup>18</sup>, subject to adjustment in accordance with Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Nominal Amount**” means [ccy] [amount]<sup>19</sup>;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“**Securities**” means [the / up to] [quantity]<sup>20</sup> cash settled notes relating to the Index and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [•]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[•]/the time with reference to which the Index Sponsor calculates the closing level of the Index]<sup>25</sup> or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the “**Holder**”) of a Security shall be recognised by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case may be) of the Securities (in which regard any certificate or other document issued by the

relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term ‘**Holder**’ shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. RIGHTS AND PROCEDURES

- (a) Redemption on the Settlement Date. Unless previously redeemed or purchased and cancelled and subject as provided by the Conditions, each Security will be redeemed by the Issuer, in respect of each Nominal Amount, at the Cash Amount, such redemption to occur on the Settlement Date.
- (b) Interest. The Securities bear no interest and no payment shall be made on account thereof.
- (c) Method of Payment. Subject as provided below, where the Cash Amount is in a currency other than euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount is in euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed to be in Global form, payments will be made via a Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (d) Presentation and Surrender. Payment of the Cash Amount will be made against surrender of the Security by or on behalf of the Holder at the specified office of the relevant Agent. The Issuer shall record all payments made to the relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of

the amount so paid. The bearer of a Security, or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.

- (e) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (f) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount.
- (g) **Expenses.** In respect of each Security, all Expenses in respect thereof shall be for the account of the relevant Holder and no payment of the Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (h) **Settlement Risk.** Settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) **Market Disruption.** The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding

limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.
  - (1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.
  - (2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on the



Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).

- (3) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

#### 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. GENERAL DESCRIPTION OF THE INDEX

*[Insert Description of the Index]*

2. CALCULATION OF THE INDEX

*[Insert method of calculation and, if applicable, the formula]*

3. HISTORICAL INDEX LEVELS

*[Insert graphic]*

The closing level of the Index on *[insert date]* was *[Level]*.

Source: *[ ]*

4. [FURTHER INFORMATION]

Further information may be obtained from the Index Sponsor at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

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**III CONDITIONS : 3. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO REVERSE EXCHANGEABLE BONDS**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**” means each of [·]<sup>9</sup> as principal agent (the “**Principal Agent**”) and [·] and [·], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business; and (ii) [physical delivery method]<sup>xx</sup>;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$\text{Nominal Amount} \times ([\bullet])$$

[,provided that the Cash Amount shall not be less than the Nominal Amount.]<sup>11</sup> [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Coupon**” means an interest coupon attached to the Definitive (if any) representing an entitlement in respect of each Interest Amount;

“**Cut-off Date**” means [·]<sup>xxi</sup>;

“**Delivery Details**” means, where applicable, account details and/or name and address of any person into whose name evidence of the Share Amount is to be registered and/or any bank, broker or agent to whom documents evidencing title are to be delivered;

“**Determination Date**” means [· ]<sup>xxii</sup> Trading Days prior to the Maturity Date or such other date fixed for redemption;

“**Disruption Amount**” means, for each Security, the fair market value (as determined by the Issuer) of such Security on such day as shall be selected by the Issuer less the cost to the Issuer of unwinding any related hedging arrangements as determined by the Issuer;

“**Disruption Cash Settlement Price**” means the fair market value of such Security on such day as shall be selected by the Issuer less the cost to the Issuer of unwinding any related hedging arrangement, all as determined by the Issuer;

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Determination Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Form**” means [Definitive / Global]<sup>17</sup>;

“**Interest Amount**” means, in respect of each Interest Period and each Nominal Amount, an amount calculated by the Calculation Agent as follows:

$$\text{Nominal Amount} \times \text{Interest Rate} \times \text{Interest Rate Day Count Fraction} ;$$

“**Interest Payment Date**” means [· ]<sup>xxiii</sup> and the Maturity Date;

“**Interest Period**” means the period [commencing on (and including) / commencing from (and excluding) the Issue Date] to [(but excluding) / (and including)] the first Interest Payment Date and each period [commencing on (and including) / commencing from (and excluding)] an Interest Payment Date to [(but excluding) / (and including)] the next following Interest Payment Date;

“**Interest Rate**” means [· ]<sup>xxiv</sup> per cent. per annum;

**“Interest Rate Day Count Fraction”** means that interest shall be calculated on the basis of [ ]<sup>xxv</sup>;

**“Issue Date”** means [· ]<sup>xxvi</sup>;

**“Maturity Date”** means [· ]<sup>xxvii</sup>;

**“Nominal Amount”** means [ccy] [amount]<sup>19</sup>;

**“Notice”** has the meaning ascribed thereto in Product Condition 3;

**“Payment Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security); or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

**“Related Exchange”** means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

**“Securities”** means [the / up to] [quantity]<sup>20</sup> cash settled bonds relating to the Shares and each a **“Security”**;

**“Settlement Currency”** means [· ]<sup>21</sup>;

**“Settlement Disruption Event”** means, in the determination of the Issuer, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Share Amount in accordance with such market method as it decides at the relevant time for delivery of the relevant Share Amount;

**“Share”** means [· ] (CUSIP / ISIN [· ])<sup>22</sup>, subject to Product Condition 4 and **“Shares”** shall be construed accordingly;

**“Share Amount”** means [· ]<sup>xxviii</sup> Shares, subject to adjustment in accordance with Product Condition 4. Securities belonging to the same Holder shall be aggregated for the purpose of determining the Share Amounts in respect of such Securities, provided that the aggregate Share Amounts in respect of the same Holder will be rounded down to the nearest whole share and no cash adjustment will be made in respect of such rounding; and

**“Share Company”** means [· ]<sup>23</sup>.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the “**Holder**”) of a Security shall be recognised by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case may be) of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

## 3. RIGHTS AND PROCEDURES

- (a) Redemption on the Maturity Date. Unless previously redeemed or purchased and cancelled and subject as provided by the Conditions, each Security will be redeemed by the Issuer, at the sole option of the Issuer, either, in respect of each Nominal Amount:

- (1) at the Cash Amount; or
- (2) by delivery of the Share Amount,

such redemption to occur, subject as provided below, on the Maturity Date.

The Issuer will give notice to the Holders in accordance with General Condition 4 on or before the Determination Date stating whether it will redeem the Securities in accordance with Product Condition 3(a)(1) or 3(a)(2) above provided that if the Issuer fails to give such notice it shall be deemed to

have elected to redeem the Securities in accordance with Product Condition 3(a)(1).

- (b) Interest Amount. In respect of each Interest Period, each Security shall bear interest at the Interest Rate. The Interest Amount is calculated by reference to the relevant Interest Period, the Interest Rate, the Nominal Amount and the Interest Rate Day Count Fraction.
- (c) Interest Accrual. Each Security shall cease to accrue interest from and including the due date for redemption. No interest shall accrue after the Maturity Date in the event that delivery of any Share Amount is postponed due to the occurrence of a Settlement Disruption Event.
- (d) Method of Payment. Subject as provided below, where the Cash Amount or the Interest Amount is in a currency other than euro, such payments will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount or Interest Amount is in euro, such payments will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed to be in Global form, payments will be made via a Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.
- (e) Presentation and Surrender. Payment of the Cash Amount and the Interest Amount will be made against surrender of the Security and Coupon respectively (if Definitive) at the specified office of the Agent or the Global Security (if Global) by or on behalf of the Holder at the specified office of the relevant Agent. The Issuer shall record all payments made to the relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount or as the case may be the Interest Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. The bearer of a

Security, or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.

- (f) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (g) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount or the Interest Amount.
- (h) **Notice.** If the Securities are to be redeemed by delivery of the Share Amount then, in order to obtain delivery of the Share Amount the relevant Holder must deliver to the Agent (if the Securities are expressed to be in Definitive form) or the Clearing Agent, (if the Securities are expressed to be in Global form) in each case with a copy to the Principal Agent a notice (the “**Notice**”) not later than close of business in the place of reception thereof on the Cut-Off Date. No Notice may be withdrawn after receipt of it by a Clearing Agent, Agent or Principal Agent. After delivery of a Notice, Securities which are the subject of such Notice may not be transferred.

The Notice shall:

- (1) specify the aggregate Nominal Amount of the Securities which are the subject of such Notice;
- (2) attach with the specified aggregate Nominal Amount of the Securities (if in Definitive form) or specify the number of the account with the Clearing Agent to be debited with such Securities (if in Global form) and instruct the Clearing Agent to debit such account on such date;
- (3) specify whether, if a Disruption Amount or any dividend is payable in a currency other than euro, it should be paid by or on behalf of the Issuer in the Settlement Currency (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) to an account maintained by the payee with, or by a cheque



in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; or if such amount is payable in euro, payments will be made by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque and in any case specify the number of the account and other relevant information or, as the case may be, the address for delivery of the cheque;

- (4) include an undertaking to pay all Expenses and an authority to debit the account with the Clearing Agent in respect thereof or, as the case may be, to debit the account referred to in paragraph (3) above or make a deduction from any cheque; and
  - (5) specify the account details and/or name and address of any person into whose name evidence of the Share Amount is to be registered and /or any person to whom documents evidencing title are to be delivered.
- (i) Late Delivery of Notice. If the Notice is delivered to the relevant Clearing Agent or the copy is delivered to the Principal Agent after the close of business in the place of receipt on the Cut-off Date, then the Share Amount will be delivered as soon as practicable after the Maturity Date (the date of delivery in relation to a Share Amount whether on or after the Maturity Date being for the purposes of the Conditions the “**Delivery Date**”) in the manner provided below. For the avoidance of doubt, no holder of Securities or any other person shall be entitled to any payment, whether of interest or otherwise, by reason of the Delivery Date for such Securities occurring after the Maturity Date due to such Notice (or the copy thereof) being delivered after close of business on the Cut-off Date as provided above. In the event that a Holder does not, in respect of a Security which is to be redeemed by delivery of the Share Amount, deliver or procure delivery of a Notice as set out above, prior to the date that is 30 calendar days after the Maturity Date, the Issuer shall have the right but not the obligation to sell the Shares comprised in the Share Amount in respect of such Security in the open market or otherwise at a price determined by the Issuer, in its sole discretion, to be the fair market value of the Shares, and shall hold the proceeds (the “**Realised Share Amount**”) for the account of the relevant Holder, until presentation of the relevant Notice. Upon payment of the Realised Share

Amount as aforesaid, the Issuer's obligations in respect of such Security shall be discharged.

- (j) Verification. In respect of any Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (k) Delivery of the Share Amount. Subject as provided in the Conditions, the delivery of the Share Amount shall be made at the risk of the relevant Holder and shall be delivered and evidenced in such manner as the Issuer determines to be customary for the Shares or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery. The Issuer shall be under no obligation to register or procure the registration of any Holder or any other person as the registered shareholder in respect of the Shares comprised in any Share Amount in the register of members of the Share Company.
- (l) Determinations. Failure properly to complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether any such Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or where applicable, which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void. If such Notice is subsequently corrected to the satisfaction of the Principal Agent it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent. The Principal Agent shall use its best efforts promptly to notify the Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.
- (m) Expenses. In respect of each Security, all Expenses in respect thereof shall be for the account of the relevant Holder and no payment of the Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.

- (n) Intervening Period. If redemption of a Security is to be by delivery of the Share Amount, for such period of time after the Maturity Date as the Issuer or any person on behalf of the Issuer shall continue to be the legal owner of the Shares comprising the relevant Share Amount (the **‘Intervening Period’**), neither the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of any document or payment whatsoever received by that person in its capacity as the holder of such Shares (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares during the Intervening Period or (iii) be under any liability to the relevant Holder or any subsequent beneficial owner of such Shares or any other person in respect of any loss or damage which the relevant Holder or subsequent beneficial owner or any other person may sustain or suffers as a result, whether directly or indirectly, of the Issuer or any other such persons being the legal owner of such Shares during such Intervening Period.
- (o) Dividends. Any dividend in respect of any Share Amount to be delivered will be payable to the party, as determined by the Issuer, that would receive such dividend in accordance with market practice for a sale of the Shares executed on the Maturity Date and to be delivered in the same manner as such Share Amount. Any such dividend to be paid to a Holder shall be paid to the account specified in the relevant Delivery Notice.
- (p) Settlement Disruption. If, prior to the delivery in accordance with the Conditions of the Share Amount in respect of any Security, in the determination of the Calculation Agent, a Settlement Disruption Event is subsisting, then the Delivery Date for such Security shall be postponed to the first following Business Day on which no Settlement Disruption Event is subsisting. For so long as delivery of any Share Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election is given to the Holders in accordance with General Condition 4. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 that a Settlement Disruption Event has occurred. No

Holder or any other person shall be entitled to any payment (including but not limited to interest) in respect of a Security in the event of any delay in the delivery of any Share Amount relating thereto due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

- (q) Settlement Risk. Settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
  - (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment

of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below.

(1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

(2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any

of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or

- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Determination Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*



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**III CONDITIONS : 4. FORM OF SPECIMEN PRODUCT CONDITIONS**  
**RELATING TO SINGLE STOCK EQUITY LINKED BOND STYLE CERTIFICATES**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$[\text{Nominal Amount}] \times \left( \frac{\text{Final Reference Price}}{\text{Initial Reference Price}} \right)$$

[provided that the Cash Amount shall not be less than [the Nominal Amount/zero]]<sup>xxix</sup>. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount equal to the price of a Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Form**” means [Definitive / Global]<sup>17</sup>;

“**Initial Reference Price**” means [· ]<sup>18</sup>, subject to adjustment in accordance with Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Nominal Amount**” means [ccy] [amount]<sup>19</sup>;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Redemption Period**” means any Business Day from (and including) [· ] to (and including) [· ]<sup>xxx</sup>;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [the / up to] [quantity]<sup>20</sup> cash settled certificates relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Share**” means [· ] (CUSIP / ISIN [· ])<sup>22</sup>, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means [· ]<sup>23</sup>;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means in respect of any redemption at the option of the Holder pursuant to Product Condition 3(b), the proposed date for redemption specified in the redemption notice referred to in Product Condition 3(b); and otherwise, [· ]<sup>24</sup>. If any such date is not a Trading Day, Valuation Date shall be the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[· ]/close of trading on the relevant Exchange in relation to a Share]<sup>25</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the “**Holder**”) of a Security shall be recognised

by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case may be) of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. RIGHTS AND PROCEDURES

- (a) Final Redemption. Unless previously redeemed or purchased and cancelled and subject as provided by the Conditions, each Security will be redeemed, on the Settlement Date by the Issuer, in respect of each Nominal Amount, at the Cash Amount, subject to certification as to non-U.S. beneficial ownership.
- (b) Redemption at the Option of the Holder. Each Security may be redeemed at the election of its Holder on any day falling in the Redemption Period, in respect of each Nominal Amount, at the Cash Amount, subject to Certification as to non-U.S. beneficial ownership. To exercise such option the Holder must deposit the Security with any Agent together with a duly completed redemption notice in the form obtainable from any of the Agents, not more than 60 nor less than 30 days prior to such date and specifying the proposed date for redemption. No Security so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.
- (c) Interest. The Securities bear no interest and no payment shall be made on account thereof.
- (d) Method of Payment. Subject as provided below, where the Cash Amount is in a currency other than euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account

(which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount is in euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee, or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed to be in Global form, payments will be made via a Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

- (e) **Presentation and Surrender.** Payment of the Cash Amount will be made against surrender of the Security by or on behalf of the Holder at the specified office of the relevant Agent. The Issuer shall record all payments made to the relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. [The bearer of a Security or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.]
- (f) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (g) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount.
- (h) **Expenses.** In respect of each Security, all Expenses in respect thereof shall be for the account of the relevant Holder and no payment of the Cash Amount in

respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.

- (i) Settlement Risk. Settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels

permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share

Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below.

- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the



Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised,

expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

#### 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

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**III CONDITIONS : 5. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO EQUITY INDEX LINKED BOND STYLE CERTIFICATES**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$[\text{Nominal Amount}] \times \left( \frac{\text{Final Reference Price}}{\text{Initial Reference Price}} \right)$$

[provided that the Cash Amount shall not be less than [zero/the Nominal Amount]]<sup>36</sup>. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Form**” means [Definitive / Global]<sup>17</sup>;

“**Index**” means [· ]<sup>26</sup>, subject to Product Condition 4;

“**Index Sponsor**” means [· ]<sup>27</sup> and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Initial Reference Price**” means [· ]<sup>18</sup>, subject to adjustment in accordance with Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Nominal Amount**” means [ccy] [amount]<sup>19</sup>;

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Redemption Period**” means [· ]<sup>xxxi</sup>;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“**Securities**” means [the / up to] [quantity]<sup>20</sup> cash settled certificates relating to the Index and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [ $\cdot$ ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of each security included in the Index and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[ $\cdot$ ]/the time with reference to which the Index Sponsor calculates the closing level of the Index]<sup>25</sup> or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities will be issued in bearer form in the denomination of the Nominal Amount (if any) or in units. If the Form is expressed to be Definitive then, the Securities shall be serially numbered and produced on security printed paper in definitive form and shall be transferred by delivery only. Definitives may (as such terms are defined in the Product Conditions) have attached to them Coupons. Only the holder (the “**Holder**”) of a Security shall be recognised by the Issuer and each Agent as the person entitled in all respects thereto. If the Form is expressed to be Global then, the Securities will be represented by a global security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular Nominal Amount or unit quantity (as the case

may be) of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the Nominal Amount or unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such Nominal Amount or unit quantity of the Securities (and the term **‘Holder’** shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. RIGHTS AND PROCEDURES

- (a) Final Redemption. Unless previously redeemed or purchased and cancelled and subject as provided by the Conditions, each Security will be redeemed, on the Settlement Date by the Issuer, in respect of each Nominal Amount, at the Cash Amount, subject to certification as to non-U.S. beneficial ownership.
- (b) Redemption at the Option of the Holder. Each Security may be redeemed at the election of its Holder on any day falling in the Redemption Period by the Issuer, in respect of each Nominal Amount, at the Cash Amount, subject to Certification as to non-U.S. beneficial ownership. To exercise such option the Holder must deposit the Security with any Agent together with a duly completed redemption notice in the form obtainable from any of the Agents, not more than 60 nor less than 30 days prior to such date. No Security so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer
- (c) Interest. The Securities bear no interest and no payment shall be made on account thereof.
- (d) Method of Payment. Subject as provided below, where the Cash Amount is in a currency other than euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer in the Settlement Currency to an account (which, in the case of payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) specified by the payee with, or by a cheque in such Settlement Currency drawn on, a bank in the principal financial centre of the country of such Settlement Currency; where the Cash Amount is in euro, payment of the Cash Amount will be made by an Agent on behalf of the Issuer by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque. Provided that where the Securities are expressed to

be in Global form, payments will be made via a Clearing Agent(s) and will be made in accordance with the rules of such Clearing Agent(s). All payments will be subject to applicable fiscal and legal requirements applicable thereto.

- (e) **Presentation and Surrender.** Payment of the Cash Amount will be made against surrender of the Security by or on behalf of the Holder at the specified office of the relevant Agent. The Issuer shall record all payments made to the relevant Agent and such record shall be prima facie evidence that the payment in question has been made. The bearer of a Security shall be the only person entitled to receive payments of the Cash Amount and the Issuer will be discharged by payment to, or to the order of, the Holder in respect of the amount so paid. The bearer of a Security or (in the case of a Global Security) each of the persons shown in the records of a Clearing Agent as the holder of a particular nominal amount of the Securities, must look solely to the relevant Agent or Clearing Agent, as the case may be, for his share of each such payment so made by the Issuer to or to the order of the bearer of the Security.
- (f) **Payment Day.** If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (g) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent, or any Agent shall have any responsibility for any errors or omissions in the calculation of the Cash Amount.
- (h) **Expenses.** In respect of each Security, all Expenses in respect thereof shall be for the account of the relevant Holder and no payment of the Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (i) **Settlement Risk.** Settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.



4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.
- (1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially

similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on the Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).
- (3) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. GENERAL DESCRIPTION OF THE INDEX

*[Insert Description of the Index]*

2. CALCULATION OF THE INDEX

*[Insert method of calculation and, if applicable, the formula]*

3. HISTORICAL INDEX LEVELS

*[Insert graphic]*

The closing level of the Index on *[insert date]* was *[Level]*.

Source: *[ ]*

4. [FURTHER INFORMATION]

Further information may be obtained from the Index Sponsor at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

5. SPONSOR'S DISCLAIMER OF LIABILITY

*[Insert Disclaimer]*

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**III CONDITIONS : 6. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO SINGLE STOCK EQUITY LINKED CASH SETTLED CALL WARRANTS**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the [Global Security] representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Final Reference Price} - \text{Exercise Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [Insert Name] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Entitlement**” means [· ]<sup>xxxii</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Exercise Date**” means [· ]<sup>xxxiii</sup> or, if such day is not a Business Day, the next following Business Day;

“**Exercise Price**” means [· ]<sup>xxxiv</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount equal to the price of a Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Share**” means [· ] (CUSIP / ISIN [· ])<sup>22</sup>, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means [· ]<sup>23</sup>;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [· ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[· ]/close of trading on the relevant Exchange in relation to a Share]<sup>25</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in

the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) **Exercise.** The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Exercise Date shall be void.
- (b) **Cash Settlement.** Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any Holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (d) **Exercise Notice.** Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;

- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;
  - (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act;
  - (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.



- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice, may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.

- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:

- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these

Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

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**III CONDITIONS : 7. FORM OF SPECIMEN PRODUCT CONDITIONS**  
**RELATING TO EQUITY INDEX LINKED CASH SETTLED CALL WARRANTS**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the [Global Security] representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Final Reference Price} - \text{Exercise Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Entitlement**” means [●]<sup>38</sup>;

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for



which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Exercise Date**” means [· ]<sup>39</sup> or, if such day is not a Business Day, the next following Business Day;

“**Exercise Price**” means [· ]<sup>40</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Index**” means [· ]<sup>26</sup>, subject to Product Condition 4;

“**Index Sponsor**” means [· ]<sup>27</sup> and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Index and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [· ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of each security included in the Index and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[· ]/the time with reference to which the Index Sponsor calculates the closing level of the Index]<sup>25</sup> or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to

which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) Exercise. The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Exercise Date shall be void.
- (b) Cash Settlement. Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (d) Exercise Notice. Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;
- (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**”

means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and

- (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise

Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.
- (1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially

similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on the Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).
- (3) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. GENERAL DESCRIPTION OF THE INDEX

*[Insert Description of the Index]*

2. CALCULATION OF THE INDEX

*[Insert method of calculation and, if applicable, the formula]*

3. HISTORICAL INDEX LEVELS

*[Insert graphic]*

The closing level of the Index on *[insert date]* was *[Level]*.

Source: *[ ]*

4. [FURTHER INFORMATION]

Further information may be obtained from the Index Sponsor at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

5. SPONSOR'S DISCLAIMER OF LIABILITY

*[Insert Disclaimer]*



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**III CONDITIONS : 8. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO SINGLE STOCK EQUITY LINKED CASH SETTLED PUT WARRANTS**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Exercise Price} - \text{Final Reference Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [Insert Name] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Entitlement**” means [●]<sup>38</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Exercise Date**” means [•]<sup>39</sup> or, if such day is not a Business Day, the next following Business Day;

“**Exercise Price**” means [•]<sup>40</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount equal to the price of a Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Share**” means [· ] (CUSIP/ISIN [· ])<sup>22</sup>, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means [· ]<sup>23</sup>;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [· ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[· ]/close of trading on the relevant Exchange in relation to a Share]<sup>25</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in

the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a). Exercise. The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Exercise Date shall be void.
- (b). Cash Settlement. Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c). General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any Holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (d). Exercise Notice. Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;

- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;
  - (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended or in regulations adopted under the United States Commodity Exchange Act; and
  - (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.

- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice, may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.

- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange , if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:



- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or
- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these

Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

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**III CONDITIONS : 9. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO EQUITY INDEX LINKED CASH SETTLED PUT WARRANTS**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means, each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Exercise Price} - \text{Final Reference}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [· ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Entitlement**” means [· ]<sup>38</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means [· ]<sup>15</sup> or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [· ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for

which [· ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Exercise Date**” means [· ]<sup>39</sup> or, if such day is not a Business Day, the next following Business Day;

“**Exercise Price**” means [· ]<sup>40</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Index**” means [· ]<sup>26</sup>, subject to Product Condition 4;

“**Index Sponsor**” means [· ]<sup>27</sup> and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Index and each a “**Security**”;

“**Settlement Currency**” means [· ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [ $\cdot$ ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of each security included in the Index and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[ $\cdot$ ]/the time with reference to which the Index Sponsor calculates the closing level of the Index]<sup>25</sup> or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to

which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) **Exercise.** The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Exercise Date shall be void.
- (b) **Cash Settlement.** Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any Holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (d) **Exercise Notice.** Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;



- (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and
- (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as

to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall, be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for

any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.

- (1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation

Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on the Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).
- (3) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. GENERAL DESCRIPTION OF THE INDEX

*[Insert Description of the Index]*

2. CALCULATION OF THE INDEX

*[Insert method of calculation and, if applicable, the formula]*

3. HISTORICAL INDEX LEVELS

*[Insert graphic]*

The closing level of the Index on *[insert date]* was *[Level]*.

Source: *[ ]*

4. [FURTHER INFORMATION]

Further information may be obtained from the Index Sponsor at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

5. SPONSOR'S DISCLAIMER OF LIABILITY

*[Insert Disclaimer]*

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**III CONDITIONS : 10. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO SINGLE STOCK EQUITY LINKED PHYSICALLY SETTLED CALL WARRANTS  
WITH CASH SETTLEMENT OPTION**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means, each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business; and (ii) [physical delivery method]<sup>28</sup>;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Final Reference Price} - \text{Exercise Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [ ] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Cut-off Date**” means [•]<sup>29</sup>;

“**Delivery Details**” means, where applicable, account details and/or name and address of any person into whose name evidence of the Share Amount is to be registered and/or any bank, broker or agent to whom documents evidencing title are to be delivered;

**“Disruption Amount”** means, for each Security, the fair market value (as determined by the Issuer) of such Security on such day as shall be selected by the Issuer less the cost to the Issuer of unwinding any related hedging arrangements as determined by the Issuer;

**“Disruption Cash Settlement Price”** means the fair market value of such Security on such day as shall be selected by the Issuer less the cost to the Issuer of unwinding any related hedging arrangement, all as determined by the Issuer;

**“Entitlement”** means [ $\cdot$ ]<sup>38</sup>, subject to any adjustment in accordance with Product Condition 4;

**“Exchange”** means [ $\cdot$ ]<sup>15</sup> or any successor to such exchange or quotation system;

**“Exercise Date”** means [ $\cdot$ ]<sup>39</sup> or, if such day is not a Business Day, the next following Business Day;

**“Exercise Price”** means [ $\cdot$ ]<sup>40</sup>, subject to any adjustment in accordance with Product Condition 4;

**“Expenses”** means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

**“Final Reference Price”** means, subject to adjustment in accordance with Product Condition 4, an amount equal to the price of a Share quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant;

**“Notice”** has the meaning ascribed thereto in Product Condition 3(d);

**“Notice Period”** means [ $\cdot$ ]<sup>xxxv</sup> Business Days;

**“Payment Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security); or (ii) if the

Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [*·* ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Settlement Disruption Event**” means, in the determination of the Issuer, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Share Amount in accordance with such market method as it decides at the relevant time for delivery of the relevant Share Amount;

“**Share**” means [*·* ] (CUSIP / ISIN [*·* ])<sup>22</sup>, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Amount**” means [*·* ]<sup>35</sup> Shares, subject to adjustment in accordance with Product Condition 4. Securities belonging to the same Holder shall be aggregated for the purpose of determining the Share Amounts in respect of such Securities, provided that the aggregate Share Amounts in respect of the same Holder will be rounded down to the nearest whole share and no cash adjustment will be made in respect of such rounding;

“**Share Company**” means [*·* ]<sup>23</sup>;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means [*·* ]<sup>24</sup> or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price



having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[· ]/close of trading on the relevant Exchange in relation to a Share]<sup>25</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

## 3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) Exercise. The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Exercise Date shall be void.
- (b) Settlement. Each Security upon due exercise and subject to Certification as to non-U.S. beneficial ownership entitles its holder to receive from the Issuer, at the sole option of the Issuer, either (i) on the Settlement Date, the Share Amount subject to payment of the Exercise Price and any Expenses on or prior to the Settlement Date (“**Share Settlement**”) or (ii) on the Settlement Date, the Cash Amount (“**Cash Settlement**”).

In respect of any duly exercised Securities, the Issuer will give notice to the Holders in accordance with General Condition 4 (such notice to be given within not less than the Notice Period) whether such Securities will be settled by Share Settlement or Cash Settlement, provided that if the Issuer fails to give such notice to the relevant Holder it shall be deemed to have elected Share Settlement.

- (c) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Share Amount, Cash Amount or Disruption Cash Settlement Price.

The purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (d) Exercise Notice. Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) in the case of Share Settlement, irrevocably instruct the Clearing Agent to debit on the Exercise Date a specified account with the Clearing Agent with the aggregate amount of the Exercise Prices in respect of such Securities (together with any other amounts payable);
- (5) specify the number of the account with the Clearing Agent to be credited with any Cash Amount and any Disruption Cash Settlement Price and any dividends payable pursuant to Product Condition 3(1);
- (6) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash

Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;

- (7) include the Delivery Details;
  - (8) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and
  - (9) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
  - (f) Settlement.

- (1) Where the Issuer has elected to effect Cash Settlement, the Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
  - (2) Where the Issuer has elected to effect Share Settlement, subject as provided in the Conditions and to payment to it of the Exercise Price and any applicable Expenses, the Issuer shall deliver or cause delivery of the Share Amount for such duly exercised Security on the Settlement Date, such delivery to be made at the risk of the relevant Holder. The Share Amount shall be delivered and evidenced in such manner as the Issuer determines to be customary for the Shares or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery. The Issuer shall be under no obligation to register or procure the registration of any Holder or any other person as the registered shareholder in respect of the Shares comprised in any Share Amount in the register of members of the Share Company.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its

part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice the Securities which are the subject of such notice may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and (1) where any Cash Amount in respect of a Security is payable no payment shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer or (2) where any delivery and/or transfer of any Share Amount in respect of a Security is to be made it shall not be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (j) Settlement Disruption. If the Issuer has elected Share Settlement in respect of a Security and prior to delivery of the Share Amount in respect thereof, in the opinion of the Calculation Agent, a Settlement Disruption Event is subsisting, then the Settlement Date for such Security shall be postponed to the first following Business Day on which no Settlement Disruption Event is subsisting.

For so long as delivery of any Share Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of Share Settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by payment of the Disruption Cash Settlement Price not later than on the third Business Day following the date that notice of such election is given to the Holders in accordance with General Condition 4. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with General Condition 4. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 that a Settlement Disruption Event has occurred.

No Holder or any other person shall be entitled to any payment in respect of a Security in the event of any delay in the delivery of any Share Amount

relating thereto due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

- (k) **Intervening Period.** With respect to Share Settlement, for such period of time after the Exercise Date as the Issuer or any person on behalf of the Issuer shall continue to be the legal owner of the Shares comprising the relevant Share Amount (the “**Intervening Period**”), neither the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such Shares or any other person any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such Shares, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares during the Intervening Period or (iii) be under any liability to the relevant Holder or any subsequent beneficial owner of such Shares or any other person in respect of any loss or damage which the relevant Holder or subsequent beneficial owner or any other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or any other such person being the legal owner of such Shares during such Intervening Period.
- (l) **Dividends.** Any dividend in respect of any Share Amount to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Exercise Date and to be delivered in the same manner as such Share Amount. Any such dividend to be paid to a Holder shall be paid to the account specified in the relevant Exercise Notice.
- (m) **Exercise and Settlement Risk.** Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) **Market Disruption.** The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with

General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Potential Adjustment Events. Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:
  - (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
  - (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options

exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below.
- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or



- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event,

Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

“**De-listing**” means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

“**Merger Date**” means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

“**Merger Event**” means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such classification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

“**Nationalisation**” means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

**III CONDITIONS : 11. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO SHARE BASKET EQUITY LINKED CASH SETTLED CALL WARRANTS**

*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Basket**” means a basket of Constituents initially comprised as set out below.

Constituent	Share and its Identification Number	Exchange	Weight <sup>xxxvi</sup> (as of the date of issue of the Securities)
[· ] (a “Share Company”)	[· ] (CUSIP / ISIN [· ]) <sup>22</sup> (a “Share”)	[· ] (the “Exchange”) <sup>15</sup>	[· ]
[· ] (a “Share Company”)	[· ] (CUSIP / ISIN [· ]) <sup>22</sup> (a “Share”)	[· ] (the “Exchange”) <sup>15</sup>	[· ]

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Final Reference Price} - \text{Exercise Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. [The above amount shall be converted into the Settlement Currency at the Exchange Rate.]<sup>12</sup> The aggregate Cash Amount payable to a Holder shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [*Insert Name*] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Constituent**” means each of the constituents of the Basket as set out under the heading “Constituent” in the definition of “Basket”, subject to adjustment in accordance with Product Condition 4;

“**Entitlement**” means [ $\cdot$ ]<sup>xxxvii</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Exchange**” means, with respect to each Basket Constituent, the exchange or quotation system specified as such in the definition of Basket or any successor to such exchange or quotation system;

[“**Exchange Rate**” means the rate of exchange prevailing at approximately 12 noon [Central European Time] on the Business Day immediately following the Valuation Date between [ $\cdot$ ] and the Settlement Currency (expressed as a number of units of the Settlement Currency for which [ $\cdot$ ] can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;]<sup>16</sup>

“**Exercise Date**” means the first Business Day within the Exercise Period upon which Exercise Notice is, or, as the case may be, is deemed to have been delivered (which ever is the later) to the Principal Agent;<sup>45</sup>

“**Exercise Period**” means any Business Day from (and including) [ $\cdot$ ] to (and including) [ $\cdot$ ];<sup>45</sup>

“**Exercise Price**” means [ $\cdot$ ]<sup>xxxviii</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount equal to the sum of the products for each Constituent of its price quoted on the Exchange at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent or (if, in the determination of the Calculation Agent, no such price can be determined and no Market Disruption Event has occurred and is continuing) an amount determined by the Calculation Agent as its good faith estimate of the price of the Share on

such date having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines relevant multiplied by its Weight;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Shares are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [*·*]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Share**” means, each of the Shares specified as such in the definition of Basket, subject to Product Condition 4 and “**Shares**” shall be construed accordingly;

“**Share Company**” means each Constituent specified as such in the definition of Basket;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the relevant Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means the [second]<sup>xxxix</sup> Business Day after the day on which the Security is validly exercised in accordance with Product Condition 3<sup>xl</sup>, or, if in relation to any Constituent such date is not a Trading Day, the first Trading Day for such Constituent thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date for each Constituent not affected by a Market Disruption Event shall be the originally designated Valuation Date and the Valuation Date for each Constituent affected (each an “**Affected Constituent**”) by a Market Disruption Event shall be first succeeding Trading Day for such Constituent on which the

Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day for such Constituent shall be deemed to be the Valuation Date in relation to such Affected Constituent (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the price of the Share having regard to the then prevailing market conditions, the last reported trading price of the Share on the Exchange and such other factors as the Calculation Agent determines to be relevant;

“**Valuation Time**” means [[· ]/close of trading on the relevant Exchange in relation to a Share]<sup>25</sup> or such other time as the Issuer may select in its absolute discretion and notify to Holders in accordance with General Condition 4; and

“**Weight**” means, subject to adjustment in accordance with Product Condition 4 in relation to each Constituent, the number specified as such in the definition of Basket.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

## 3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) Exercise. The Securities are only exercisable on or prior to the last Business Day of the Exercise Period. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at

or prior to 10.00 a.m. Central European Time on the final Business Day of the Exercise Period shall be void. If an Exercise Notice is delivered in the manner set out in Product Condition 3(d) after 10.00 a.m. Central European Time on any Business Day during the Exercise Period it shall be deemed to have been delivered prior to 10.00 a.m. Central European Time on the Business Day following the day actual day of delivery.<sup>xii</sup>

- (b) Cash Settlement. Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.

The purchase of Securities does not confer on any Holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attached to the Shares.

- (d) Exercise Notice. Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;



- (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act;
- (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as

to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice, may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for

any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

This Product Condition 4 relates to each Constituent and references to “Share” shall be construed separately in relation to each Constituent and references to “Exchange” and “Share Company” shall be construed as references to the relevant Exchange and relevant Share Company as appropriate.

- (a) **Market Disruption.** The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

**“Market Disruption Event”** shall mean:

- (1) the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise): (A) the Shares on the Exchange or any other exchange on which the Shares are listed; or (B) any options contracts or futures contracts or other derivatives contracts relating to the Share on any Related Exchange, if, in the determination of the Calculation Agent, such suspension or limitation is material; or
- (2) a general moratorium is declared in respect of banking activities in the country in which the Exchange or any Related Exchange is located.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Exchange or any Related Exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the Exchange or any Related Exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) **Potential Adjustment Events.** Following a declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will

determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

- (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (2) determine the effective date of that adjustment.

The Calculation Agent may, but need not, determine the adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon making any such adjustment, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the adjustment to be made to the Conditions and giving brief details of the Potential Adjustment Event.

**“Potential Adjustment Event”** means any of the following: (A) a subdivision, consolidation or reclassification of relevant Shares (unless a Merger Event), or, a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation, recapitalisation or similar issue; (B) a distribution or dividend to existing holders of the relevant Shares of (aa) such Shares, or (bb) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Shares, or (cc) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent; (C) an extraordinary dividend; (D) a call by the Issuer in respect of relevant Shares that are not fully paid; (E) a repurchase by the Issuer of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (F) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (c) De-listing, Merger Event, Nationalisation and Insolvency. If a De-listing, Merger Event, Nationalisation or Insolvency occurs in relation to the Share Company, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:

- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the

other terms of these Conditions to account for the De-listing, Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency made by any Related Exchange to options contracts or futures contracts or other derivatives contracts on the Shares traded on such Related Exchange; or

- (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
- (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the Shares traded on any Related Exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options contracts or futures contracts or other derivatives contracts on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if

any) set by the Related Exchange to account for the De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a De-listing, Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such De-listing, Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“De-listing”** means a Share for any reason ceases to be listed or is suspended from listing on the Exchange (and such cessation or suspension is continuing and such Share is not subsequently listed or quoted on another stock exchange or quotation system acceptable to the Issuer).

**“Merger Date”** means the date upon which all holders of the Shares of a Share Company (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

**“Merger Event”** means any (1) reclassification or change to the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer all outstanding Shares of such Share Company; (2) consolidation, amalgamation or merger of a Share Company with or into another entity (other than a consolidation, amalgamation or merger in which such Share Company is the continuing entity and which does not result in any such reclassification or change to all the outstanding Shares of a Share Company); or (3) other take-over offer for the Shares of a Share Company that results in a transfer of or an irrevocable commitment to transfer the Shares of a Share Company (other than any such Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date.

**“Nationalisation”** means that all the Shares of a Share Company or all the assets or substantially all the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding

affecting a Share Company, (1) all the Shares are required to be transferred to a receiver, trustee, liquidator or other similar official or (2) holders of the Shares of that Share Company become legally prohibited from transferring them.

5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the most recent annual report of the relevant Share Company. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. SHARE COMPANY

*[Insert Description of the Share Company]*

2. THE SHARES

*[Insert Description of the Shares]*

3. HISTORICAL UNDERLYING PRICE INFORMATION

*[Insert graphic]*

The closing price of the Shares on the Exchange on *[insert date]* was *[CCY] [Price]*.

Source: *[ ]*

4. FURTHER INFORMATION

Further information may be obtained from the Share Company at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

**[TO BE REPEATED FOR EACH UNDERLYING IN THE BASKET]**



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**III CONDITIONS : 12. FORM OF SPECIMEN PRODUCT CONDITIONS  
RELATING TO QUANTO OPEN-ENDED INDEX LINKED CERTIFICATES**

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the [Global Security] representing the Securities.*

1. DEFINITIONS

“**Agent**”<sup>9</sup> means each of [· ] as principal agent (the “**Principal Agent**”) and [· ] and [· ], each acting through its specified office and together, the “**Agents**” which expression shall include any other Agent appointed pursuant to the provisions of General Condition 11;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [London]<sup>10</sup> and a day on which each Clearing Agent is open for business;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

$$(\text{Final Reference Price} - \text{Exercise Price}) \times \text{Entitlement}$$

provided that the Cash Amount shall not be less than zero. The aggregate Cash Amount payable to a Holder shall be expressed in the Settlement Currency and shall be rounded to the nearest [two decimal places / whole unit]<sup>13</sup> in the Settlement Currency, [0.005 / half a unit] being rounded downwards;

[“**Clearing Agent**” means [Insert Name] and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a “**Clearing Agent**” and together the “**Clearing Agents**”);]<sup>14</sup>

“**Entitlement**” means [· ]<sup>xliii</sup>, subject to any adjustment in accordance with Product Condition 4;

“**Exercise Date**” means, subject to Issuer Early Termination, each third Business Day preceding the last Trading Day of [· ]<sup>xliiii</sup> in each year, commencing [· ]<sup>xliiv</sup>;

“**Expenses**” means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration,

securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security;

“**Final Reference Price**” means, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Index at the Valuation Time on the Valuation Date as determined by or on behalf of the Calculation Agent without regard to any subsequently published correction;

“**Index**” means [ $\cdot$ ]<sup>26</sup>, subject to Product Condition 4;

“**Index Sponsor**” means [ $\cdot$ ]<sup>27</sup> and references to Index Sponsor shall include any successor index sponsor pursuant to Product Condition 4;

“**Issue Date**” means [ $\cdot$ ];

“**Issuer Early Termination**” means the Issuer may terminate the Securities, in whole but not in part, on any Trading Day on or after the Business Day falling three calendar years from the Issue Date, by giving not less than two calendar years’ notice and such date shall be deemed to be the Exercise Date. Such notice shall be given in accordance with the provisions of General Condition 4 and shall specify the Issuer Early Termination Date. Each Security will be terminated at the Cash Amount;<sup>xiv</sup>

“**Issuer Early Termination Date**” mean the date specified as such with respect to the Issuer Early Termination;

“**Market Disruption Event**” means each event specified as such in Product Condition 4;

“**Notice**” means the notice described in Product Condition 3(d);

“**Payment Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation of the Securities; and either (i) if the Settlement Currency is not euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of such currency (if other than the place of presentation of such Security) or (ii) if the Settlement Currency is euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**Related Exchange**” means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Index are traded;

“**Securities**” means [*the / up to*] [*quantity*]<sup>20</sup> cash settled warrants relating to the Shares and each a “**Security**”;

“**Settlement Currency**” means [. ]<sup>21</sup>;

“**Settlement Date**” means the fifth Business Day following the Valuation Date;

“**Trading Day**” means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the Exchange and each Related Exchange other than a day on which trading on the Exchange or any Related Exchange is scheduled to close prior to its regular weekday closing time;

“**Valuation Date**” means the [second]<sup>24</sup> Business Day after the day on which the Security is validly exercised in accordance with Product Condition 3 or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been a Valuation Date. In that case (i) the fifth Trading Day shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and (ii) the Calculation Agent shall determine the Final Reference Price having regard to the then prevailing market conditions, the last reported trading price of each security included in the Index and such other factors as the Calculation Agent determines to be relevant; and

“**Valuation Time**” means [[. ]/the time with reference to which the Index Sponsor calculates the closing level of the Index]<sup>25</sup> or such other time as the Issuer may determine in its absolute discretion and notify to Holders in accordance with General Condition 4.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such

unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and / or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

3. EXERCISE RIGHTS AND EXERCISE PROCEDURES

- (a) **Exercise.** The Securities are only exercisable on or prior to the Exercise Date. Any Security with respect to which no Exercise Notice has been delivered in the manner set out in Product Condition 3(d) at or prior to 10.00 a.m. Central European Time on the Issuer Early Termination Date shall be void.
- (b) **Cash Settlement.** Each Security upon due exercise and subject to certification as to non-U.S. beneficial ownership entitles its Holder to receive from the Issuer on the Settlement Date the Cash Amount.
- (c) **General.** In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (d) **Exercise Notice.** Securities may only be exercised by the delivery of a duly completed exercise notice (an “**Exercise Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- (1) specify the number of Securities being exercised;
- (2) specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- (3) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
- (4) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
- (5) include an undertaking to pay all Expenses and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Amount due to such Holder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Expenses;

- (6) certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and
- (7) authorise the production of such notice in any applicable administrative or legal proceedings.
- (e) Verification. In respect of each Exercise Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.
- (f) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each duly exercised Security to the account specified in the relevant Exercise Notice for value on the Settlement Date.
- (g) Determinations. Failure properly to complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as

to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3(a) shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (h) Delivery of an Exercise Notice. Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of an Exercise Notice, the Securities which are the subject of such notice may not be transferred.
- (i) Expenses. All Expenses in respect of each Security shall be for the account of the relevant Holder and no payment of any Cash Amount in respect of a Security shall be made until all Expenses in respect thereof have been paid to the satisfaction of the Issuer.
- (j) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for

any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4. ADJUSTMENTS

- (a) Market Disruption. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” shall mean: the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on an Exchange or any Related Exchange of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise), (A) on an Exchange in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or (B) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event.

- (b) Adjustments to Index. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 4 of any determination made by it pursuant to paragraphs (1) or (2) below.

- (1) If the Index is: (A) not calculated and announced by the Index sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Sponsor**”) acceptable to the Calculation

Agent; or (B) replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) the Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

- (2) If: (A) on or prior to the Valuation Date the Index Sponsor or, if applicable, the Successor Sponsor, makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on the Valuation Date the Index Sponsor or, if applicable the Successor Sponsor, fails to calculate and publish the Index, then (in either case) the Calculation Agent shall determine the Final Reference Price using, in lieu of a published level for the Index on the Valuation Date, the level for the Index as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change of failure, but using only those securities that comprised the Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange).
- (3) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.



## INFORMATION RELATING TO THE UNDERLYING

*The following summary information has been extracted from public information services and/or the relevant Index Sponsor. The Issuer accepts responsibility for accurately reproducing such extracts but does not accept any further or other responsibility in respect of such information. The Issuer has not participated in the preparation of such information nor has the Issuer made any due diligence inquiry with respect to such information and the Issuer assumes no responsibility for the adequacy or accuracy of such information.*

1. GENERAL DESCRIPTION OF THE INDEX

*[Insert Description of the Index]*

2. CALCULATION OF THE INDEX

*[Insert method of calculation and, if applicable, the formula]*

3. HISTORICAL INDEX LEVELS

*[Insert graphic]*

The closing level of the Index on *[insert date]* was *[Level]*.

Source: *[ ]*

4. [FURTHER INFORMATION]

Further information may be obtained from the Index Sponsor at the address specified below.

*[Insert Address and Telephone number]*

Website: *[Insert URL]*

5. SPONSOR'S DISCLAIMER OF LIABILITY

*[Insert Disclaimer]*

- 
- i Insert name of Principal Agent and all fiscal and Paying Agents appropriate for the transaction.
  - ii Insert the town of the ABN Amro office which is to process settlement instructions for the transactions – this will usually (but not necessarily) be the same as the booking office for the transaction
  - iii Insert if product is capital protected
  - iv Insert if transaction is to be settled in a currency other than the currency pertaining to the Underlying and the Holder is to bear the FX Risk (i.e., non-quanto)
  - v Select according to whether the Settlement Currency is traded in whole numbers or in decimals and select what happens in the case of half a unit of that currency.
  - vi Insert the names of the relevant Clearing Agents from the following list: *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* (NECIGEF); Clearstream Banking S.A., Luxembourg; Clearstream Banking A.G., Frankfurt; Euroclear Bank S.A.; SIS Segaintersettle AG, Olten
  - vii Unless another exchange has been specified by trading, insert the primary exchange for the relevant share.
  - viii Insert if transaction is to be settled in a currency other than the currency pertaining to the Underlying and the Holder is to bear the FX Risk (i.e., non-quanto). Insert also the currency which is to be converted in the Settlement Currency and time at which the FX valuation is to take place for this purpose.
  - ix Select as appropriate
  - x Insert fixing price or method for its determination
  - xi Insert currency and amount for each security
  - xii Insert full description of the Securities as on the front cover
  - xiii Insert Settlement Currency for the product
  - xiv Insert full description of the Share including identification number
  - xv Insert full legal name of the Share Company
  - xvi For a European style option insert the date upon which the Final Reference Level / Price will be taken (i.e., the date upon which the option expires). Where the option is an American Style, this will be either 1 Business Day (where the Underlying does not include one which is referenced in an Asian Time Zone) or 2 Business Days where it is.
  - xvii Insert Valuation Time on the relevant Valuation Date

- xviii Insert full description of the Index
- xix Insert full legal name of the Index Sponsor

- xx Depending on the method by which any physical delivery is to be made insert the location which must be open for business (e.g., a day on which each clearing system through which the Shares are customarily transferred is open for business).

- 
- <sup>xxi</sup> Insert the number of Business Days (typically, seven Business Days) prior to which a Notice must be provided by the Securityholder in order to have the Shares transferred to such Securityholder.
- <sup>xxii</sup> Insert the number of Trading Days prior to which notice will be given for the election by the Issuer as to whether it will deliver shares or settle in cash. This is effectively the exercise of the Issuer's put option – note the default is cash settlement.
- <sup>xxiii</sup> Specify the frequency of interest periods (e.g., [date] and each date falling six months after such date)
- <sup>xxiv</sup> Insert interest rate
- <sup>xxv</sup> Select one of the following options by currency: for EUR, “the actual number of days in the relevant period divided by 365 save that for a portion which any such period which falls in a leap year, the number of days in such portion shall be divided by 366”; for CHF, “the actual number of days in the relevant period divided by 360” ; for GBP, “the actual number of days in the relevant period divided by 360”; for USD, “the actual number of days in the relevant period divided by 360 (the number of days being calculated on the basis of a year of 360 days with 12 30-day months, without regard to the first day or the last day of the relevant period unless, if such period is the final period, the Maturity Date is the last day in the month of February, in which case February shall not be considered to be lengthened to a 30-day month)”.
- <sup>xxvi</sup> Insert Issue Date.
- <sup>xxvii</sup> Insert date upon which cash payment is to be made upon redemption (if any).
- <sup>xxviii</sup> Insert quantity of Shares to be delivered per Security upon the Issuer's election
- <sup>xxix</sup> Insert if product is capital protected or, if not protected, select zero.
- <sup>xxx</sup> Insert Redemption Period – this is effectively the exercise period of an American style option.

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<sup>xxx</sup> Insert dates during which redemptions at the option of the Holder may take place – specify also whether the applicable dates are included or excluded for such purpose.

<sup>xxxii</sup> This is a multiplier (not a divisor and should be expressed in decimals (e.g., 10 Securities control 1 Underlying should be expressed as 0.1).

<sup>xxxiii</sup> Insert the relevant date or a method for its determination.

<sup>xxxiv</sup> Insert the exercise / strike price or insert a method for its determination.

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<sup>xxxv</sup> Insert the number of Business Days (typically, fourteen Business Days) prior to which a Notice must be provided by the Issuer in order to make its settlement alternative election. This must provide sufficient time for the Securityholders to provide their account details before the Cut-Off Date in order to effect settlement on the due date for settlement.

<sup>xxxvi</sup> This should be expressed as an absolute number rather than as a percentage investment.

<sup>xxxvii</sup> This is a multiplier (not a divisor and should be expressed in decimals (e.g., 10 Securities control 1 Underlying should be expressed as 0.1).

<sup>xxxviii</sup> Insert the exercise / strike price or insert a method for its determination.

<sup>xxxix</sup> Insert second depending on the time zone during which any hedge is intended to be liquidated. Where more than one time-zone is relevant, select the furthest date. If the square brackets are deleted the effect is that the next Trading Day following the exercise or deemed exercise will be the Valuation Date.

<sup>xl</sup> Note that under the exercise provisions in Product Condition 3(a), if an Exercise Notice is delivered before 10.00 a.m. CET it will be delivered that day, if not then the exercise will not be deemed to have taken place until the next following Business Day. This would add an extra day to the date on which valuation is actually taken.

<sup>xli</sup> Applicable to American Style options only.

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<sup>xlii</sup> This is a multiplier (not a divisor and should be expressed in decimals (e.g., 10 Securities control 1 Underlying should be expressed as 0.1).

<sup>xliii</sup> Insert month.

<sup>xliv</sup> Insert year.

<sup>xlv</sup> Note this method of calculation will not take into account any hedging implications regarding the quanto for the early termination Securities – please check with trading on each occasion.

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## IV ZUSATZANGABEN FÜR DAS ANGEBOT IN DER BUNDESREPUBLIK DEUTSCHLAND

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WICHTIG: DIESE ZUSATZANGABEN FÜR DAS ANGEBOT IN DER BUNDESREPUBLIK DEUTSCHLAND SOWIE DARIN ENTHALTENE BEZUGNAHMEN AUF WERTPAPIERE BEZIEHEN SICH AUSSCHLIEßLICH AUF DEN NACHTRAG NR. ? VOM [INSERT DATE] GEMÄß § 10 WERTPAPIER-VERKAUFSPROSPEKTGESETZ ZUM UNVOLLSTÄNDIGEN VERKAUFSPROSPEKT VOM 28. FEBRUAR 2002.

### 1. BESTEUERUNG

*Der folgende Abschnitt beschreibt die nach deutschem Steuerrecht auftretenden steuerlichen Folgen der Veräußerung von Wertpapieren innerhalb der Einjahresfrist auf Grundlage des zum Zeitpunkt der Veröffentlichung des Offering Supplement geltenden Steuerrechts. Diese Zusammenfassung ist allerdings nicht erschöpfend. Insbesondere werden keine Aussagen über die steuerlichen Folgen gemacht, falls einzelne Wertpapiere nach deutschem Recht als sogenannte Finanzinnovationen oder eigenkapitalähnliche Instrumente zu besteuern sind. Inhabern, die in Bezug auf ihre steuerliche Rechtsposition im Zweifel sind, wird empfohlen, ihren Steuerberater zu konsultieren.*

Ein in Deutschland ansässiger Privatanleger (Wohnsitz oder ständiger Aufenthaltsort in Deutschland), der das Wertpapier innerhalb eines Jahres nach Erwerb veräußert, unterliegt mit einem Veräußerungsgewinn grundsätzlich der Einkommensteuer, (zuzüglich Solidaritätszuschlag in Höhe von 5,5% der Einkommensteuer).

Der Erfolg aus der Veräußerung wird als Differenz von Verkaufserlös einerseits sowie ursprünglichen Anschaffungskosten und Spesen andererseits ermittelt. Im Kalenderjahr werden sämtliche Gewinne und Verluste aus diesen Geschäften saldiert. Liegen die Gewinne nach Saldierung unter Euro 512, bleiben sie steuerfrei; ab Euro 512 sind sie in voller Höhe steuerpflichtig. Wird nach Saldierung ein Verlust ausgewiesen, kann der Verlust im Vorjahr erzielte Gewinne aus ähnlichen Geschäften mindern. Ist das nicht möglich oder gewünscht, kann der Verlust vorgetragen werden.

Ähnliche Regelungen gelten, wenn der Privatanleger Rechte zum Erwerb/ zur Veräußerung erwirbt oder Verpflichtungen zum Erwerb/ zur Veräußerung innerhalb eines Jahres durch Barausgleich oder Glattstellung aufgibt. Auch nach Ablauf der Einjahresfrist kann im Einzelfall eine Steuerpflicht gegeben sein. Sind die Wertpapiere einem Betriebsvermögen in Deutschland zugeordnet, unterliegt der Gewinn aus der Veräußerung

unabhängig von der Haltedauer grundsätzlich der Einkommensteuer - oder Körperschaftsteuer zuzüglich eines Solidaritätszuschlags i.H.v. 5,5% hierauf sowie der Gewerbesteuer. Der Umfang der Steuerpflicht ist allerdings für jeden Einzelfall gesondert zu bestimmen ( z.B. keine Gewerbesteuerpflicht für Angehörige freier Berufe). Ob Verluste abziehbar sind, hängt von den Umständen des Einzelfalls ab. Auch eine nicht in Deutschland ansässige Person ist im allgemeinen nach den oben genannten Grundsätzen steuerpflichtig, z.B. wenn sie in Deutschland eine Betriebsstätte unterhält oder einen ständigen Vertreter bestellt hat.

2. EMISSION UND VERKAUF

Die Wertpapiere sind zum Vertrieb und zum Verkauf in Deutschland geeignet und werden am oder um den ? emittiert. [In Deutschland können Zeichnungsanträge vom ? bis zum und einschließlich ? erfolgen.]<sup>1</sup> Die Wertpapiere können direkt von jeder Niederlassung der [?] in Deutschland bezogen werden.

3. INFORMATIONEN ZU SETTLEMENT UND CLEARING

Die Wertpapiere sind zum Clearing und Settlement wie nachstehend beschrieben zugelassen worden:

Euroclear Bank S.A. (ISIN)	Clearstream, Luxembourg (Common Code)	Other (WKN)
●	●	●

4. INFORMATIONEN ZUM [END-FÄLLIGKEITS- / VERFALLDATUM]<sup>2</sup>

Diese Informationen entnehmen Sie bitte Product Condition 3. Nur Personen, welche zur entsprechenden Zeit in dem Register der maßgeblichen Verwaltungsstelle (Clearing Agent) als Wertpapierinhaber eingetragen sind, werden als solche angesehen.

5. BÜRO DER ZAHLSTELLE

In Deutschland wenden Sie sich bitte an ABN AMRO Bank (Deutschland) AG, Mainzer Landstraße 65, 60329 Frankfurt am Main.

6. RECHTLICHER HINWEIS

Nachtrag gemäß § 10 Wertpapier-Verkaufsprospektgesetz zum unvollständigen Verkaufsprospekt:

Dieser Nachtrag wird gemäß § 10 des Wertpapier-Verkaufsprospektgesetzes im Zusammenhang mit dem unvollständigen Verkaufsprospekt vom 28. Februar 2002.



Dieser Nachtrag sowie der unvollständige werden während der Laufzeit der Wertpapiere zu den üblichen Geschäftszeiten in der Geschäftsstelle der Zahlstelle zur kostenlosen Ausgabe bereitgehalten. Angaben zur Zahlstelle entnehmen Sie bitte der obigen Rubrik 5. (Büro der Zahlstelle).

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<sup>1</sup> Benutzen Sie diese Formulierung, falls eine Zeichnungsfrist vorhanden ist.

2 Bitte bei Bedarf verwenden.

**REGISTERED OFFICE OF THE ISSUER**

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