

## OPERATIONAL INFORMATION DOCUMENT

This Operational Information Document relates to the Final Terms dated 18 January 2018 (the “Final Terms”) in respect of the issue by Landwirtschaftliche Rentenbank (the “Issuer”) of EUR 100,000,000 2.875 per cent. Notes due 30th August, 2021 (the “Notes”) (to be consolidated, form a single series and be interchangeable for trading purposes with the EUR 1,250,000,000 2.875 per cent. Notes due 30th August, 2021, issued on 30th August, 2011) under the Issuer’s EUR 60,000,000,000 Euro Medium Term Note Programme.

*This Operational Information Document has not been reviewed or approved by any competent authority and does not form part of the Final Terms. However, for all other purposes this Operational Information Document must be read in conjunction with the Final Terms. Words and expressions which have a defined meaning in the Final Terms or the Base Prospectus dated 16 May 2011 have the same meanings in this Operational Information Document.*

### NOTICE BY THE DEALER TO DISTRIBUTORS REGARDING MIFID II PRODUCT GOVERNANCE

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY**  
**TARGET MARKET** ABN AMRO Bank N.V. (the “Dealer”), is acting in its capacity as manufacturer within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15th May, 2014 on markets in financial instruments and implementing legislation (as amended, “**MiFID II**”) of the Notes. Solely for the purposes of the dealer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined under MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the dealer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the dealer’s target market assessment) and determining appropriate distribution channels.

The Issuer has confirmed that the Issuer does not fall under the scope of application of MiFID II and is not subject to the responsibilities conferred on manufacturers and distributors by MiFID II. The Issuer does not confirm, deny or make any other statement regarding the Dealers’ target market assessment.

**FINAL TERMS DATED 18TH JANUARY, 2018**

**LANDWIRTSCHAFTLICHE RENTENBANK**

**Issue of EUR 100,000,000 2.875 per cent. Notes due 30th August, 2021 (the “Notes”)  
(to be consolidated, form a single series and be interchangeable for trading purposes with the EUR  
1,250,000,000 2.875 per cent. Notes due 30th August, 2021, issued on 30th August, 2011)  
under the EUR 60,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 16th May, 2011 (the “Original Terms and Conditions”) which are incorporated by reference in the Simplified Base Prospectus dated 5th May, 2017 which constitutes a simplified base prospectus for purposes of Chapters 1 and 2 of Part III of the Luxembourg Law on Prospectuses for Securities dated 10th July, 2005, as amended (*Loi relative aux prospectus pour valeurs mobilières*) (the “Simplified Base Prospectus”). This document constitutes the Final Terms of the Notes (these “Final Terms”) described herein and must be read in conjunction with the Simplified Base Prospectus, save in respect of the Original Terms and Conditions, a copy of which is annexed hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Simplified Base Prospectus. The Simplified Base Prospectus (including the documents incorporated therein by reference) is published on the Issuer’s website at [www.rentenbank.de](http://www.rentenbank.de).

1. (i) Series Number: 1043  
(ii) Tranche Number: 2  
(iii) Date on which the Notes become fungible: The Notes shall be consolidated, form a single series and be interchangeable for trading purposes on the Issue Date with the EUR 1,250,000,000 2.875 per cent. Notes due 30th August, 2021, issued on 30th August, 2011.
2. Specified Currency or Currencies: Euro (“EUR”)
3. Aggregate Nominal Amount:
  - (i) Series: EUR 1,350,000,000
  - (ii) Tranche: EUR 100,000,000
4. Issue Price: 111.130 per cent. of the Aggregate Nominal Amount plus accrued interest from and including 30th August, 2017 up to and excluding 22nd January, 2018 (145 days of accrued interest)
5. (i) Specified Denominations: EUR 1,000  
(ii) Calculation Amount: EUR 1,000
6. (i) Issue Date: 22nd January, 2018  
(ii) Interest Commencement Date: 30th August, 2017
7. Maturity Date: 30th August, 2021
8. Interest Basis: 2.875 per cent. Fixed Rate  
(further particulars specified in paragraph 13 below)
9. Redemption/Payment Basis: Redemption at par
10. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
11. Put/Call Options: Not Applicable
12. Status of the Notes: Senior

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions	Applicable
(i) Rate(s) of Interest:	2.875 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	30th August in each year up to and including the Maturity Date, commencing 30th August, 2018
(iii) Fixed Coupon Amount(s):	EUR 28.75 per Calculation Amount
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	Actual/Actual (ICMA)
(vi) Determination Date(s):	30th August of each year
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
14. Floating Rate Note Provisions	Not Applicable
15. Zero Coupon Note Provisions	Not Applicable
16. Index Linked Note/other variable-linked Note Provisions	Not Applicable
17. Alternative Settlement Note Provisions	Not Applicable
18. Dual Currency Note Provisions	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

19. Call Option:	Not Applicable
20. Put Option:	Not Applicable
21. Final Redemption Amount of each Note:	EUR 1,000 per Calculation Amount
22. Early Redemption Amount	
Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption:	Condition 7(e) applies

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:	Bearer Notes
	Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event.
24. New Global Note:	Yes
25. New Safekeeping Structure:	Not Applicable
26. Financial Centre(s):	TARGET
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29. Details relating to Instalment Notes:	
(i) Instalment Amount(s):	Not Applicable
(ii) Instalment Date(s):	Not Applicable

30. Redenomination applicable:	Not Applicable
31. Consolidation provisions:	Condition 16 applies
32. Other final terms:	Not Applicable

## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) with effect from the Issue Date.

The Notes previously issued under Series 1043 (Tranche 1) are already admitted to listing and trading on the Regulated Market of the Luxembourg Stock Exchange.

### 2. RATINGS:

The Notes have been assigned the following ratings:

Moody's: Aaa

S & P: AAA

Fitch: AAA

According to Moody's Investors Services, a long-term issue rated "Aaa" is judged to be of the highest quality, subject to the lowest level of credit risk.

According to Standard & Poor's, a long-term obligation rated "AAA" has the highest rating assigned by Standard & Poor's, and the obligor's capacity to meet its financial commitment on the obligation is extremely strong.

According to Fitch Ratings, "AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

The credit ratings included herein will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 (the "CRA Regulation") as having been issued by Standard & Poor's Credit Market Services Europe Limited ("S&P"), Moody's Deutschland GmbH ("Moody's") and Fitch Ratings Limited ("Fitch"), upon registration pursuant to the CRA Regulation. Each of S&P, Moody's and Fitch is established in the European Union and is registered under the CRA Regulation. Reference is made to the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority on its website ([www.esma.europa.eu](http://www.esma.europa.eu)), which is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

- |                                 |  |
|---------------------------------|--|
| (i) Reasons for the offer:      | The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes. |
| (ii) Estimated net proceeds:    | EUR 112,272,123.29 (including EUR 1,142,123.29 in accrued interest)  |
| (iii) Estimated total expenses: | Not Applicable   |

## 5. YIELD: (Fixed Rate Notes only)

Indication of yield:	- 0.200 per cent. per annum
	Calculated as at the Issue Date in accordance with the ICMA method, which determines the effective interest rate of the Notes taking into account accrued interest on a daily basis.
	As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## 6. HISTORICAL INTEREST RATES: (Floating Rate Notes only)

Not Applicable

## 7. PERFORMANCE OF INDEX/FORMULA/RATE[S] OF EXCHANGE/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING: (Index Linked Notes, other variable linked Notes and Dual Currency Notes only)

Not Applicable

## 8. OPERATIONAL INFORMATION:

ISIN Code:	XS0670798171
Common Code:	067079817
WKN:	A1EWDM
Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Name and address of additional Paying and Transfer Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## 9. DISTRIBUTION

(i) Method of distribution:	Non-Syndicated
(ii) If syndicated:	
(A) Name and addresses of Managers and underwriting commitments:	Not Applicable
(B) Date of Syndication Agreement:	Not Applicable
(C) Stabilising Manager(s) if any:	Not Applicable
(iii) If non-syndicated, name and address of Dealer:	ABN AMRO Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands
(iv) Total commissions and concessions:	Not Applicable

- |       |  |                       |
|-------|--|-----------------------|
| (v)   | U.S. Selling Restrictions:                         | Regulation S, TEFRA C |
| (vi)  | Additional Selling Restrictions:                   | Not Applicable        |
| (vii) | Additional U.S. Federal Income Tax Considerations: | Not Applicable        |

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Landwirtschaftliche Rentenbank:

By: \_\_\_\_\_  
*Duly authorised*

By: \_\_\_\_\_  
*Duly authorised*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the “Conditions”) of Notes to be issued by the Issuer which will be incorporated by reference into each Global Note and which will be incorporated into (or, if permitted by the relevant stock exchange or other relevant authority and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each Definitive Note. The following Terms and Conditions will be applicable to the Uncertificated Notes. Uncertificated Notes will not be evidenced by any physical note or document of title other than statements of account made by VP or VPS, as the case may be. Ownership of Uncertificated Notes will be recorded and transfer effected through the book entry system and register maintained by VP or VPS, as the case may be. Part A of the applicable Final Terms in relation to any Tranche of Notes (including Uncertificated Notes) may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms will be incorporated into, or attached to, each Global Note and Definitive Note. Reference should be made to “Forms of Final Terms” for the form of the Final Terms which specifies which of certain capitalised terms as defined in the following Terms and Conditions are to apply in relation to the relevant Notes.*

*The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary base prospectus, if appropriate, will be made available which will describe the effect of such agreement reached in relation to such Notes.*

This Note is one of a series of Notes issued by the Issuer (which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the “Notes” shall be references to the Notes of this Series (as defined below) and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest denomination specified in the relevant Final Terms (“Specified Denomination”) in the currency specified in the relevant Final Terms (“Specified Currency”);
- (ii) Definitive Notes issued in exchange (or part exchange) for a Global Note;
- (iii) any Global Note;
- (iv) Uncertificated Notes registered with and cleared through VP Securities A/S (“VP Notes” and “VP”, respectively) in accordance with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time; and
- (v) Uncertificated Notes registered with and cleared through the Norwegian Central Securities Depository (*Verdipapirsentralen ASA*) (“VPS Notes” and “VPS”, respectively) in accordance with applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated agency agreement dated 16th May, 2011 (such amended and restated agency agreement as from time to time modified, supplemented and/or restated, the “Agency Agreement”) and made among the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent, paying and transfer agent and exchange agent (in each such capacity, the “Principal Paying Agent” and “Exchange Agent”, each of which expressions shall include any successor principal paying agent or exchange agent specified in the applicable Final Terms, respectively), Deutsche Bank Trust Company Americas (the “Registrar”, which expression shall include any successor registrar specified in the applicable Final Terms), Danske Bank A/S (the “VP Agent”, which expression shall include any successor VP Agent specified in the applicable Final Terms), Nordea Bank Norge ASA (the “VPS Agent”, which expression shall include any successor VPS Agent specified in the applicable Final Terms) and the other paying and transfer agents named therein (together with the Principal Paying Agent, the “Paying and Transfer Agents”, which expression shall include any additional or successor paying and transfer agents). Determinations with regard to Notes (including, without limitation, Index Linked Notes and Dual Currency Notes) shall be made by the Calculation Agent specified in the applicable Final Terms in the manner specified in the applicable Final Terms.

Each Tranche of VP Notes will be created and held in uncertificated and dematerialised book entry form in accounts with VP. The VP Agent will act as agent of the Issuer in respect of all dealings with VP in



respect of the VP Notes. Each Tranche of VPS Notes will be created and held in uncertificated and dematerialised book entry form in accounts with VPS. The VPS Agent will act as agent of the Issuer in respect of all dealings with VPS in respect of the VPS Notes.

Interest-bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to “Noteholders” shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note or in relation to Uncertificated Notes, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue. Uncertificated Notes are in uncertificated and dematerialised form: any reference in these Terms and Conditions to Receipts, Coupons and Talons shall not apply to Uncertificated Notes and no Global or Definitive Notes will be issued in respect thereof. These Terms and Conditions shall be construed accordingly.

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

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders (other than holders of Uncertificated Notes) are entitled to the benefit of the Deed of Covenant made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified offices of each of the Principal Paying Agent, the Registrar, the VP Agent, VPS Agent and the other Paying and Transfer Agents (such agents, together with the Exchange Agent, the “Agents”). Copies of the applicable Final Terms are available for inspection at and copies may be obtained from the specified offices of the Principal Paying Agent, the Registrar and the other Paying and Transfer Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Principal Paying Agent, Registrar and/or the Paying and Transfer Agent as to its holding of such Notes and identity. If this Note is admitted to trading on the Luxembourg Stock Exchange’s regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement and the applicable Final Terms which are binding on them.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## 1. Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”), registered form (“Registered Notes”) or uncertificated and dematerialised book entry form (“Uncertificated Notes”), as specified in the Final Terms and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes may not be exchanged for any other form of Notes and *vice versa*. Registered Notes may not be exchanged for any other form of Notes and *vice versa*. VP Notes may not be exchanged for any other form of Notes and *vice versa*. VPS Notes may not be exchanged for any other form of Notes and *vice versa*.

This Note may be a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

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

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

Bearer Notes may be issued in CGN or NGN form. If the applicable Final Terms indicate that the Global Note is not issued in NGN form, the nominal amount of Notes represented by the Global Note shall be determined by means of the annotations to the Global Note. If the applicable Final Terms indicate that the Global Note is issued in NGN form the nominal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of Euroclear and Clearstream, Luxembourg (together, the relevant “Clearing Systems”). The records of the relevant Clearing Systems shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by the relevant Clearing System stating the nominal amount of Notes represented by the Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time. Payments due in respect of Notes for the time being represented by the Global Note shall be made to the bearer of the Global Note and each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge. The Global Note shall not be valid unless authenticated by the Principal Paying Agent. If the applicable Final Terms indicate that the Global Note is intended to be held in a manner which would allow Eurosystem eligibility, the Common Safekeeper must be one of the ICSDs.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Principal Paying Agent, the Registrar and any other Paying and Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph, and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. The holder of Uncertificated Notes will be the person evidenced as such by a book entry in the records of VP or VPS, as the case may be. Title to the VP Notes will pass by registration in the registers between the direct or indirect accountholders at VP in accordance with applicable laws and the rules and procedures of VP. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VP Note. Title to the VPS Notes will pass by registration in the registers between the direct or indirect accountholders at VPS in accordance with applicable law and the rules and procedures of VPS. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or for so long as DTC or its nominee is the registered holder of a Registered Global Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by such clearing system as to the nominal amount of such Notes standing to the account of any person shall, save in the case of manifest error, be conclusive and binding for all purposes, including any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular nominal amount of such Notes is clearly identified together with the amount of such holding) shall be treated by the Issuer, the Principal Paying Agent and the

Registrar and any other Paying and Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose, in the case of Notes represented by a Bearer Global Note, the bearer of the relevant Bearer Global Note or, in the case of a Registered Global Note the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Principal Paying Agent, the Registrar and any other Paying and Transfer Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be.

For so long as any of the Notes are VP Notes, each person who is for the time being shown in the book entry system and register maintained by VP as the holder of a VP Note shall be treated by the Issuer, the VP Agent and any other Paying and Transfer Agent as the holder of such Notes for all purposes in accordance with applicable Danish laws and regulations; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. VP Notes will be transferable only in accordance with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time. VP Notes will be issued in uncertificated and dematerialised form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

For so long as any of the Notes are VPS Notes, each person who is for the time being shown in the records of VPS as the holder of a VPS Note shall be treated by the Issuer, the VPS Agent and any other Paying and Transfer Agent as the holder of such Notes for all purposes in accordance with applicable Norwegian laws and regulations; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. VPS Notes will be transferable only in accordance with applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time. VPS Notes will be issued in uncertificated and dematerialised form and no global or definitive Notes will be issued in respect thereof and the Conditions shall be construed accordingly.

References to Euroclear, Clearstream, Luxembourg and/or DTC and/or VP and/or VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the relevant Dealer and the Principal Paying Agent.

Bearer Notes, once issued in definitive form in the Specified Currency and the Specified Denomination(s), may not be exchanged for Bearer Notes of another Specified Denomination.

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

In relation to any issue of Bearer Notes which have a minimum denomination and are tradable, so long as the Notes are represented by a temporary Global Note or a permanent Global Note and the relevant Clearing System(s) so permit, in denominations above such minimum denomination which are not integral multiples of the minimum denomination, should Definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant Clearing Systems at the relevant time, may not receive all of his entitlement in the form of Definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

## **2. Provisions Relating to Registered Notes**

### *(a) Transfers of interest in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with these Terms and Conditions. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

*(b) Transfer of Registered Notes in definitive form*

Subject as provided in Conditions 2(e) and (f) below, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer: (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Paying and Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Paying and Transfer Agent; and (ii) the Registrar or, as the case may be, the relevant Paying and Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 to the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Paying and Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Paying and Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred.

In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

*(c) Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

*(d) Cost of registration*

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

*(e) Transfers of interest in Regulation S Global Notes*

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

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Paying and Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, or
- (ii) otherwise pursuant to registration under the U.S. Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with the U.S. Securities Act,

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

In the case of (i) above, such transferee may take delivery by means of a Rule 144A Note in global or definitive form.



After expiry of the applicable Distribution Compliance Period, (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

*(f) Transfers of interest in Rule 144A Notes*

Transfers of Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A (“Rule 144A Notes”) or beneficial interests therein may be made:

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

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

Upon the transfer, exchange or replacement of Rule 144A Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Rule 144A Notes or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the U.S. Securities Act.

### **3. Status of the Senior Notes**

The Senior Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (except for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

### **4. Status and Characteristics of the Subordinated Notes**

The Subordinated Notes of this Series and the relative Receipts and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, except for those that have been accorded by law preferential rights.

The obligations of the Issuer to pay the principal amount of the Subordinated Notes of this Series are subordinated obligations of the Issuer, and the principal of the Subordinated Notes of this Series is (i) upon the commencement and during the continuation of proceedings instituted by or against the Issuer seeking to adjudicate it bankrupt or (ii) upon the commencement of the liquidation of the Issuer, junior in right of payment from the Issuer to the prior payment in full of all other obligations of the Issuer except those obligations which by their terms rank *pari passu* with or junior to the Subordinated Notes of this Series.

The Terms and Conditions of the Subordinated Notes of this Series may not be amended (i) to shorten the maturity of the Subordinated Notes of this Series or the period for prior notice of redemption or (ii) to restrict their subordination, nor may the obligations of the Issuer under the Subordinated Notes of this Series be secured by any security of whatever kind provided by the Issuer or any other person.

Each of the Issuer and the holder of any Subordinated Notes of this Series waives any and all rights it may have to set-off claims under the Subordinated Notes of this Series against any claims it may have against the other.

The Subordinated Notes of this Series are not redeemable or repayable prior to maturity except as expressly provided herein. If the Issuer redeems or repays the Subordinated Notes of this Series other than in accordance with the terms provided herein, German law may require that, notwithstanding any agreements to the contrary, the holder of any Subordinated Notes of this Series shall pay to the Issuer any amounts received by it from the Issuer or any Paying and Transfer Agent in such redemption or repayment of the Subordinated Notes of this Series, unless, at the time of such redemption or repayment, the Issuer shall have, to the extent required by German law, replaced the capital (within the meaning of the German Federal Banking Law (*Kreditwesengesetz*)) created by the Subordinated Notes of this Series with capital of equal or higher ranking.

Except to the extent allowed by applicable law, the Issuer shall not, directly or indirectly, acquire for its own account any of the Subordinated Notes of this Series, finance the acquisition for the account of any other person of any of the Subordinated Notes of this Series or accept a lien, security interest or other encumbrance on any of the Subordinated Notes of this Series to secure any obligations owed to the Issuer.

## **5. Interest**

### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated per Calculation Amount by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (iii) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (iv) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

In these Terms and Conditions:

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

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

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

In these Terms and Conditions, “Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms, and “TARGET” means the Trans-European Automated Real time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19th November, 2007 or any successor thereto.

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

*(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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



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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) Rate of Interest

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

(iii) ISDA Determination for Floating Rate Notes

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

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

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

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the

determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) Screen Rate Determination for Floating Rate Notes

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

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

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

For determining the Rate of Interest pursuant to this sub-paragraph (iv) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph (each a market disruption event) the following provisions shall apply:

- (1) The Principal Paying Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.
- (2) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In this sub-paragraph (iv), the expression “Reference Banks” means, in the case of clause (A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of clause (B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

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

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amount

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

The Principal Paying Agent or, in the case of either Floating Rate Notes which are Uncertificated Notes or Index Linked Notes which are Uncertificated Notes, the Calculation Agent, will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of the Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(vii) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent or, in the case of Uncertificated Notes, the Calculation Agent (specified in the applicable Final Terms), will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and, in the case of Uncertificated Notes, VP and the VP Agent or VPS and the VPS Agent, as the case may be, and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Such notices to VP and the VP Agent or VPS and the VPS Agent shall be delivered not later than the Business Day before the first day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, to the Noteholders in accordance with Condition 14, and, if appropriate, to the Common Service Provider. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) Certificates to be Final

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

(c) *Interest on Dual Currency Notes*

The rate or amount of interest payable in respect of Dual Currency Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

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

(e) *Accrual of Interest*

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

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent, the VP Agent or the VPS Agent, as applicable, and notice to that effect has been given in accordance with Condition 14 or individually.



## 6. Payments

### (a) Method of Payment

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8. References to “Specified Currency” will include any successor currency under applicable law.

### (b) Presentation and Payment in respect of Notes, Receipts and Coupons

#### (i) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall be made against presentation and surrender of the relevant:

- (x) Receipts, in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note,
- (y) Notes, in the case of all other payments of principal and, in the case of interest, as specified in the last paragraph of this Condition 6(b)(i), or
- (z) Coupons, in the case of interest save as specified in the last paragraph of this Condition 6(b)(i),

in each case at the specified office of any Paying and Transfer Agent outside of the United States. Payment will be made by cheque or, if requested by the holder, by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent provided, however, that payment will not be made either by mail to an address in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) or by transfer to an account maintained in the United States.

If the due date for redemption is not an Interest Payment Date, accrued interest shall only be payable on redemption of the Note against presentation and surrender of the relevant Note.

#### (ii) Registered Notes

- (x) Payments of principal (which for the purposes of this Condition shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant certificate at the specified office of the Registrar. Such payments will be made by cheque or, if requested by the holder, by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent, (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.
- (y) Payments of interest (and all Instalment Amounts other than final Instalment Amounts) in respect of Registered Notes shall be made to the person shown on the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear

and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the registrar is located) (the “Record Date”)) prior to such due date. Payment will be made by cheque and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any of the Paying and Transfer Agents before the Record Date, such payment of interest may be made instead by transfer to a bank account nominated by the holder, of the appropriate currency and maintained with a bank recognised by the relevant Paying and Transfer Agent.

If the due date for redemption is not an Interest Payment Date, accrued interest shall only be payable on redemption of the Note against presentation and surrender of the relevant certificate.

(iii) VP Notes

Payment of principal and interest in respect of VP Notes will be made to the persons registered as Noteholders in the book entry system and register maintained by VP in accordance with and subject to the procedures applicable to and/or issued by VP from time to time.

(iv) VPS Notes

Payment of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of VPS in accordance with and subject to the procedures applicable to and/or issued by VPS from time to time.

(c) *Payments subject to fiscal laws*

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Details are set forth in Condition 8 below. Neither the Issuer nor any Paying and Transfer Agent shall be liable to any holder of a Note or other person for any commissions, costs, losses or expenses in relation to or resulting from such withholding or payment.

(d) *Unmatured Coupons and Receipts and unexchanged Talons*

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unexpired Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unexpired Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unexpired Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unexpired Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

(e) *Talons*

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

another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

*(f) General Provisions Applicable to Payments*

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

Notwithstanding the foregoing provisions of this Condition, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying and Transfer Agent in the United States if:

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

*(g) Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), "Payment Day" means any day which (subject to Condition 9) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (a) where the Notes are in global form, any Financial Centre specified in the applicable Final Terms, and (b) where the Notes are in definitive form:

- (i) the relevant place of presentation; and
- (ii) any Financial Centre specified in the applicable Final Terms.

If the date for payment of any amount in respect of VP Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following VP Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For the purposes hereof, unless otherwise specified in the applicable Final Terms, VP Payment Day means any day which (subject to Condition 9) is a day on which commercial banks are open for general business in Denmark.

If the date for payment of any amount in respect of VPS Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following VPS Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For the purposes hereof, unless otherwise specified in the applicable Final Terms, VPS Payment Day means any day which (subject to Condition 9) is a day on which commercial banks are open for general business in Norway.

*(h) Interpretation of Principal and Interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;



- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

*(i) Settlement Disruption Event and Fallback Provisions*

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. If, in the opinion of the Issuer, a payment of amounts due in respect of the Notes cannot be made by it in the Specified Currency on the due date due to the imposition of exchange controls or other circumstances beyond the control of the Issuer or because the Specified Currency, or a successor currency to the Specified Currency provided for by law, is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, then the Issuer shall be entitled to satisfy its obligations to the holders of the Notes by making such payment in either Euro or U.S. dollars on, or as soon as (in the opinion of the Issuer) reasonably practicable after, the due date (such date, for purposes of this Condition 6(i), the “Payment Date”) on the basis of the Market Exchange Rate. Any payment made under such circumstances in either Euro or U.S. dollars on or after the due date will not constitute a default and holders of the Notes shall not be entitled to further interest or any other payment in respect of such payment.

For purposes of this Condition 6(i), the “Market Exchange Rate” shall (A) in the case of payments in U.S. dollars mean (i) the noon buying rate in New York City for cable transfers of the Specified Currency as certified for customs purposes by the Federal Reserve Bank of New York as of (in the opinion of the Issuer) the most recent practicable date before the Payment Date, or (ii) if (in the opinion of the Issuer) no rate pursuant to item (A)(i) is available as of a date falling within a reasonable period of time prior to the Payment Date, the foreign exchange rate of the Specified Currency against U.S. dollars as determined by the Issuer in its reasonable discretion; or (B) in the case of payments in Euro, mean (i) on the basis of the spot exchange rate at which the Specified Currency was offered in exchange for Euro in the London foreign exchange market as of (in the opinion of the Issuer) the most recent practicable date before the Payment Date, or (ii) if (in the opinion of the Issuer) no rate pursuant to item (B)(i) is available as of a date falling within a reasonable period of time prior to the Payment Date, the foreign exchange rate of the Specified Currency against Euro as determined by the Issuer in its reasonable discretion.

For the avoidance of doubt, the Market Exchange Rate or substitute exchange rate as aforesaid may be such that the resulting U.S. dollar or Euro amount is zero and in such event no amount in the Specified Currency or U.S. dollar or Euro will be payable.

## **7. Redemption and Purchase**

*(a) At Maturity*

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

*(b) Redemption for Tax Reasons*

*(i) Senior Notes*

Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Index Linked Interest Notes or Dual Currency Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes or Dual

Currency Notes), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent (and, in the case of Uncertificated Notes, the VP Agent or the VPS Agent, as the case may be) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

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

Notes redeemed pursuant to this Condition 7(b)(i) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(ii) Subordinated Notes

If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision of, or any authority in, or of, the Federal Republic of Germany having power to tax, or any change in the interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Subordinated Notes of this Series, the Issuer would be required, for reasons outside its control, to pay additional amounts as provided or referred to in Condition 8, the Issuer may at its option, redeem all the Subordinated Notes of this Series, but not some only, at their Early Redemption Amount referred to in paragraph (e) below together, if appropriate, with interest accrued to (but excluding) the date of redemption (in the case of Subordinated Notes other than Floating Rate Notes or Zero Coupon Notes) and any additional amounts payable under Condition 8, in accordance with the following provisions:

- (x) If the Subordinated Notes are Fixed Rate Notes, the Issuer may at its option, at any time, redeem such Notes upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either (i) the first day of the relevant financial year in which redemption is to occur or (ii) the redemption date, whichever is permitted by the German Federal Banking Law to maintain the allowable proportion of the capital.
- (y) If the Subordinated Notes are Floating Rate Notes, the Issuer may at its option redeem such Notes on any Interest Payment Date upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either (i) the first day of the financial year coinciding with or, as the case may be, immediately preceding the relevant Interest Payment Date or (ii) the redemption date (which must be an Interest Payment Date), whichever is permitted by the German Federal Banking Law to maintain the allowable proportion of the capital.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

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

- (i) not less than 15 nor more than 30 days' notice to the Noteholders (or such other period of notice as is specified in the applicable Final Terms) in accordance with Condition 14; and

- (ii) not less than 2 business days (being days when banks are open for business in the city in which the specified office of the relevant Agent is located) before the giving of the notice referred to in (i), notice to the Principal Paying Agent (and, in the case of a redemption of Registered Notes, the Registrar, and, in the case of Uncertificated Notes, the VP Agent or the VPS Agent, as the case may be),

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s) provided that, in the case of a redemption of Subordinated Notes, (i) the Optional Redemption Date shall not fall before (but may fall after) the first day of the Issuer's financial year which falls seven years after the first day of the Issuer's financial year immediately following the Issue Date of the first Tranche of the Subordinated Notes of such Series provided always that the Issuer may redeem the Subordinated Notes of such Series on such earlier or later date as is permitted at the relevant time by German Federal Banking Law and which does not prejudice the status of the Subordinated Notes of such Series for the purposes of capital adequacy or the proportion which is allowable for such purposes (a "Permitted Redemption Date") and (ii) in each case upon prior notice to the Noteholders (which notice shall be irrevocable) given not less than two years before either the first day of the relevant financial year in which redemption is to occur or the Permitted Redemption Date, whichever is permitted by German Federal Banking Law to maintain the allowable proportion of the capital. DTC requires a notice to holders at least 30 days prior to the Optional Redemption Date. A notice period of less than 30 days will be managed on a best effort basis by DTC.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, as the case may be, in the case of Redeemed Notes represented by a Global Note and in accordance with the rules of VP, in the case of VP Notes and in accordance with the rules of VPS, in the case of VPS Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

*(d) Redemption of Senior Notes only at the Option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. DTC requires a notice to holders at least 30 days prior to the Optional Redemption Date. A notice period of less than 30 days will be managed on a best effort basis by DTC.

To exercise the right to require redemption of this Senior Note its holder must, if this Note is in definitive form and held outside of Euroclear and Clearstream, Luxembourg or any other agreed clearing system, deliver at the specified office of any Paying and Transfer Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying and

Transfer Agent or, as the case may be, the Registrar, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying and Transfer Agent or the Registrar (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Senior Note is in definitive form, this Senior Note or evidence satisfactory to the Paying and Transfer Agent or the Registrar concerned that this Senior Note will, following delivery of the Put Notice, be held its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or any other agreed clearing system, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC or such other agreed clearing system (which may include notice being given on its instruction by any clearing system or any common depositary or common safekeeper, as the case may be, for such clearing systems to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg, DTC or the additional or alternative clearing system from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or the Registrar for notation accordingly.

If this Note is a VP Note, to exercise the right to require redemption of the such Note, the holder thereof must, within the applicable notice period, give notice to the VP Agent of such exercise in accordance with the standard procedures of VP in effect from time to time.

If this Note is a VPS Note, to exercise the right to require redemption of the such Note, the holder thereof must, within the applicable notice period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of VPS in effect from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

*(e) Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

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

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or

(as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

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

*(f) Instalments*

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

*(g) Partly Paid Notes*

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

*(h) Purchases*

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

*(i) Cancellation*

All Notes which are redeemed will (subject to paragraph (h) above) forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) and cannot be re-issued or resold. A notice in respect of any Uncertificated Notes so cancelled and any Uncertificated Notes purchased and cancelled pursuant to paragraph (h) above shall be forwarded to the Principal Paying Agent and the VP Agent or the VPS Agent, as the case may be, indicating such cancellation, and such Notes cannot be re-issued or resold.

*(j) Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 (in the case of a Senior Note) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholder in accordance with Condition 14.

*(k) Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms in respect of the Maturity Date or the Optional Redemption Date and if (x) there is no numerically corresponding day in the calendar month in which the Maturity Date or Optional Redemption Date should occur or (y) the Maturity Date or Optional Redemption Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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



- (3) the Preceding Business Day Convention, such Maturity Date or Optional Redemption Date shall be brought forward to the immediately preceding Business Day.

## **8. Withholding Tax**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with the Federal Republic of Germany other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
- (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder, Receiptholder or Couponholder); or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(g)); or
- (iv) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to such deduction or withholding if the payment could have been made by another Paying and Transfer Agent without such withholding or deduction; or
- (v) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder where no such deduction or withholding would have been required were the relevant Notes credited at the time of payment to a securities deposit account with a bank outside the Federal Republic of Germany; or
- (vi) presented for payment in the Federal Republic of Germany; or
- (vii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC (the “Savings Tax Directive”) or any other Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (viii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying and Transfer Agent in a Member State of the European Union.

As used herein, the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar or, in the case of VP Notes, the holders of the VP Notes or, in the case of VPS Notes, the holders of the VPS Notes, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## **9. Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

Claims against the Issuer for the payment of principal and interest payable in respect of the VP Notes shall be void unless made within 10 years (in the case of principal) and 3 years (in the case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such VP Notes shall be forfeited and revert to the Issuer.

Claims against the Issuer for the payment of principal and interest payable in respect of the VPS Notes shall be void unless made within 10 years (in the case of principal) and 3 years (in the case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such VPS Notes shall be forfeited and revert to the Issuer.

#### **10. Events of Default Relating to Senior Notes**

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

- (i) default is made for more than seven days in the payment of any amount in respect of any of the Senior Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) a default is made by the Issuer in the performance or observance of any obligation, condition or provision under the Senior Notes (other than any obligation for the payment of any amount due in respect of any of the Senior Notes) and either such default is not capable of remedy, or such default continues for a period of 30 days after written notification requiring such default to be remedied has been given to the Issuer by any Senior Noteholder,

then any Senior Noteholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

#### **11. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **12. Agents**

The names of the initial Agents and their initial specified offices are set out on page 144 below.

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

- (i) there will at all times be a Principal Paying Agent and Registrar and, so long as any Registered Global Notes are registered in the name of a nominee of DTC, an Exchange Agent;
- (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying and Transfer Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (iii) there will at all times be a Paying and Transfer Agent (which may be the Principal Paying Agent) with a specified office in a principal financial centre in continental Europe;
- (iv) there will at all times be a Paying and Transfer Agent with a specified office situated outside Germany;

- (v) it will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the Savings Tax Directive or any law implementing or complying with or introduced to confirm to such Directive;
- (vi) in the case of VP Notes, there will at all times be a VP Agent authorised to act as an account operating institution with VP and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VP Notes so require; and
- (vii) in the case of VPS Notes, there will at all times be a VPS Agent authorised to act as an account operating institution with VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

### **13. Exchange of Talons**

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Agent or any other Paying and Transfer Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

### **14. Notices**

Notices to the holders of Registered Notes in definitive form will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth day after the date of mailing and will also be published in accordance with the requirements for notices to the holders of Bearer Notes and Registered Notes in global form set out below. Notices to holders of Bearer Notes and Registered Notes in global form shall be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London, and (ii) if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

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

Notices to be given by any holder of the Notes (other than Uncertificated Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.



Notices to holders of VP Notes shall be valid if mailed to their registered addresses appearing on the register of VP and, so long as the VP Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Notices to holders of VPS Notes shall be valid if given to VPS for communication by it to the VPS Noteholders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given on the fourth day after delivery to VPS.

#### **15. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by extraordinary resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing (or in the case of Uncertificated Notes, holding a certificate (dated no earlier than 14 days prior to the meeting) from either VP or the VP Agent, or VPS or the VPS Agent, as the case may be, stating that the holder is entered into the records of VP or VPS, as the case may be, as a Noteholder) not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders, if applicable.

For the purposes of a meeting of holders of Uncertificated Notes, the person named in the certificate described above shall be treated as the holder of the Uncertificated Notes specified in such certificate provided that such person has given an undertaking not to transfer the Uncertificated Notes so specified (prior to the close of the meeting) and the Principal Paying Agent shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

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

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

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

#### **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects except for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 17. Substitution of the Issuer

(a) The Issuer may, without the consent of the Noteholders or Couponholders, when no payment of principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “Substituted Debtor”) for the Issuer as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:

- (i) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes and the relative Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Noteholder and each holder of the relative Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8) payable in respect of the Notes and the relative Receipts and Coupons and all amounts payable under the Deed of Covenant in respect of Noteholders;
- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Federal Republic of Germany, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 with the substitution for the references to the Federal Republic of Germany of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
- (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent;
- (vi) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the

effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent;

(vii) the Issuer shall have delivered to the Principal Paying Agent or procured the delivery to the Principal Paying Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Principal Paying Agent; and

(viii) the Substituted Debtor shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes, the relative Receipts or Coupons or the Documents.

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) In respect of any substitution pursuant to this Condition in respect of Subordinated Notes of any Series, substitution shall not take effect unless (a) the Substituted Debtor is a subsidiary (*Tochterunternehmen*) of the Issuer within the meaning of sections 1(7) and 10(5a) (eleventh sentence) of the German Banking Act (*Kreditwesengesetz*) which has been established solely for the purpose of raising funds; (b) the obligations assumed by the Substituted Debtor in respect of the Subordinated Notes and the Coupons and Receipts relating to them are subordinated on terms identical to the terms of the Subordinated Notes; (c) the Substituted Debtor deposits an amount which is equal to the aggregate principal amount of the Subordinated Notes with the Issuer on terms equivalent, including in respect of subordination, to the terms and conditions of the Subordinated Notes, and (d) the Issuer guarantees the obligations of the Substituted Debtor in respect of the Subordinated Notes and the Coupons and Receipts relating to them on a subordinated basis on terms equivalent to the terms of the Subordinated Notes regarding subordination.

(d) With respect to Subordinated Notes, the Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 14, at any time to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice shall be irrevocable.

(e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons except that any claims under the Notes and the relative Receipts and Coupons prior to release shall inure for the benefit of Noteholders and Couponholders.

(f) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Deed of Covenant or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.

(g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

#### **18. Contracts (Rights of Third Parties) Act 1999**

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

#### **19. Governing Law and Submission to Jurisdiction**

The Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law.

The registration of VP Notes in VP must also comply with applicable Danish laws and regulations and the procedures applicable to and/or issued by VP from time to time. VP Notes must comply with the Danish Consolidated Act No. 959 of 11th August, 2010 on Trading in Securities, as amended from time to time (the “Danish Securities Trading Act”), and Executive Order No. 369 of 14th May, 2009 on the registration etc. of dematerialised securities in a centralised securities depository (*Bekendtgørelse om registrering m.v. af fondsaktiver i en værdipapircentral*; the “Danish VP Registration Order”). The relationship between Danske Bank A/S as the account holding institute and VP will be governed by the provisions of the Danish Securities Trading Act and Danish VP Registration Order.

The registration of VPS Notes in VPS must also comply with the applicable Norwegian laws and regulations and the procedures applicable to and/or issued by VPS from time to time. VPS Notes must comply with the Norwegian Securities Register Act of 5th July, 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts for all purposes in connection with the Agency Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and in relation thereto the Issuer has appointed Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England for service of process and on its behalf and has agreed that in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the VP Agreement, the VPS Agreement, the Notes, the Receipts and the Coupons (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) may be brought in any other court of competent jurisdiction.