

## **PRICING SUPPLEMENT**

**EUROPEAN UNION**

**and**

**EUROPEAN ATOMIC ENERGY COMMUNITY - EURATOM**

**EUR 80,000,000,000**

**Euro Medium Term Note Programme**

**EUROPEAN UNION**

**SERIES NO: 59**

**TRANCHE NO: 3**

**EUR 1,085,000,000 1.375 per cent. Notes due 4 October 2029 (to be consolidated and form a single series with the EUR 660,000,000 1.375 per cent. Notes due 4 October 2029 issued on 12 November 2014 and the EUR 500,000,000 1.375 per cent. Notes due 4 October 2029 issued on 3 December 2014)**

**Issue Price: 102.070 per cent.**

**COMMERZBANK AKTIENGESELLSCHAFT**

**HSBC FRANCE**

**LANDESBANK BADEN-WÜRTTEMBERG**

**MERRILL LYNCH INTERNATIONAL**

**The date of this Pricing Supplement is 13 October 2015**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated 20 December 2012. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 12 March 2015, save in respect of the Conditions which are extracted from the Offering Circular dated 20 December 2012 and are attached as Annex hereto.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement dated 13 October 2015 and the Offering Circulars dated 12 March 2015 and 20 December 2012.

Nothing has happened as of the date hereof or is expected to happen in relation to the Issuer or the Notes which would require the Offering Circular to be supplemented or updated.

There has been no significant change in the overall financial position of the Issuer since the date of its last General Budget or the last General Report on the Activities of the European Union.

Signed:



JAN CARLSSON

Deputy Head of Unit

*Duly authorised signatory*

Signed:



JEAN-PIERRE RAES

Head of Unit

*Duly authorised signatory*

The terms of the Notes are as follows:

1. Issuer: European Union
  2. (a) Series No: 59  
(b) Tranche No: 3
- The Notes will, with effect from the Issue Date, be consolidated and form a single series with the EUR 660,000,000 1.375 per cent. Notes due 4 October 2029 issued on 12 November 2014 and the EUR 500,000,000 1.375 per cent. Notes due 4 October 2029 issued on 3 December 2014 (the **Original Notes**).
3. Relevant Currency: Euro (EUR)
  4. Aggregate Principal Amount:  
(a) Series: EUR 2,245,000,000  
(b) Tranche: EUR 1,085,000,000
  5. (a) Issue Price: 102.070 per cent. of the Aggregate Principal Amount plus accrued interest from and including 4 October 2015 to, but excluding, the Issue Date (amounting to EUR 444,850).  
(b) Estimated Net proceeds  
(Required only for listed issues): EUR 1,105,734,350 (including accrued interest)
  6. Denomination(s): EUR 1,000
  7. (a) Issue Date: 15 October 2015  
(b) Interest Commencement Date: 4 October 2015
  8. Maturity Date: 4 October 2029
  9. Interest Basis: 1.375 per cent. Fixed Rate  
(further particulars specified below)
  10. Redemption/Payment Basis: Redemption at par
  11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
  12. Put/Call Options: Not Applicable
  13. Listing: Luxembourg Stock Exchange's Regulated Market

14.	Method of distribution:	Syndicated
15.	Fixed Rate Note Provisions:	Applicable
	(a) Interest Rate:	1.375 per cent. per annum payable annually in arrear
	(b) Interest Payment Date(s):	4 October in each year up to and including the Maturity Date
	(c) Interest Amount(s):	EUR 13.75 per EUR 1,000 in principal amount
	(d) Day Count Fraction:	Actual/Actual (ICMA)
	(e) Interest Determination Date(s):	4 October in each year
	(f) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
	(g) Business Day Convention ( <i>for the purposes of the payment date convention in Condition 7(g)</i> ):	Following Business Day, unadjusted
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Variable Coupon Amount Note Provisions:	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call (Condition 6(d)):	Not Applicable
20.	Investor Put (Condition 6(e)):	Not Applicable
21.	Redemption Amount of each Note:	EUR 1,000 per Note of EUR 1,000
22.	Instalment Date(s) (if applicable):	Not Applicable
23.	Instalment Amount(s) (if applicable):	Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	
	(a) Form:	Bearer Notes:  Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event
	(b) New Global Note:	Yes

- |     |   |                               |
|-----|---|-------------------------------|
| 25. | Business Day Jurisdictions for Condition 7(g) (jurisdictions required to be open for payment):                              | TARGET 2                      |
| 26. | Unmatured Coupons to become void upon early redemption:   | No                            |
| 27. | Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: | No                            |
| 28. | Redenomination applicable:  | Redenomination not applicable |
| 29. | Details of any other additions or variations to the Conditions:   | None                          |

#### DISTRIBUTION

- |     |  |  |
|-----|--|--|
| 30. | (a) Method of distribution   | Syndicated   |
|     | (b) If syndicated, names of Managers:  | Commerzbank Aktiengesellschaft<br>HSBC France<br>Landesbank Baden-Württemberg<br>Merrill Lynch International |
|     | (c) Stabilisation Agent(s) (if any):   | Commerzbank Aktiengesellschaft   |
|     | (d) If non-syndicated, name of relevant Dealer:  | Not Applicable   |
| 31. | U.S. Selling Restrictions:   | Reg. S Compliance Category 1; TEFRA C  |
| 32. | Calculation Agent(s) (if any):   | None   |
| 33. | Details of any additions or variations to the selling restrictions:  | None   |
| 34. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable   |
| 35. | Delivery:  | Delivery against payment   |
| 36. | Additional Payment Agent(s) (if any):  | None   |
| 37. | ISIN:  | EU000A1ZR7H3   |
| 38. | Common Code:   | 113620692  |
| 39. | WKN Code:  | A1ZR7H   |
| 40. | The aggregate principal amount of Notes issued has been translated into euro at the                                | Not Applicable   |

rate of [     ], producing a sum of (for Notes not denominated in euro):

41.      Intended to be held in a manner which would      Yes  
allow Eurosystem eligibility:

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 intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

## LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the EUR 80,000,000,000 Euro Medium Term Note Programme of European Union (EU) and the European Atomic Energy Community (EURATOM).

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:



JAN CARLSSON

Deputy Head of Unit

*Duly authorised signatory*

By:



JEAN-PIERRE RAES

Head of Unit

*Duly authorised signatory*

## ANNEX

### TERMS AND CONDITIONS OF THE NOTES

The Notes are issued pursuant to an amended and restated Agency Agreement (as amended or supplemented from time to time, the "Agency Agreement") dated 20 December 2012 between the European Union, the European Atomic Energy Community ("Euratom"), Deutsche Bank AG, London Branch as fiscal agent (the "Fiscal Agent"), principal paying agent, transfer agent and consolidation agent (the "Consolidation Agent") and Deutsche Bank Luxembourg S.A. as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "Paying Agents") and as transfer agents (together with the transfer agent referred to above and any additional or other transfer agents in respect of the Notes from time to time appointed, the "Transfer Agents") and Deutsche Bank Luxembourg S.A. as registrar (the "Registrar") and with the benefit of a Deed of Covenant (as amended or supplemented from time to time, the "Deed of Covenant") dated 20 December 2012 executed by the Issuer. The initial Calculation Agent(s) (if any) is specified hereon. The Noteholders (as defined below), the holders of the interest coupons (the "Coupons") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the instalment receipts (the "Receipts") appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

In the Conditions, "euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

#### 1. Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes which are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Denomination(s) shown hereon.

*All Registered Notes shall have the same Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Notes.*

Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note, the principal amount of which is redeemable in instalments, shall be issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates"), each Certificate representing a holding of one or more Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register (the "Register") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon (or on the Certificate representing any Note(s)) made by anyone and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

*All capitalised terms which are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be.*

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

### **(a) Exchange of Exchangeable Bearer Notes:**

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts,

Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest or Instalment Amount, the Coupon in respect of that payment of interest or Receipt in respect of that Instalment Amount need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination (other than as provided for in Condition 1(b)). Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

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

One or more Registered Notes may be transferred upon the surrender of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate will be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

### **(c) Partial redemption or exercise of options in respect of Registered Notes:**

In the case of a partial redemption of a holding of Registered Notes represented by a single Certificate or a partial exercise of an Issuer's or Noteholders' option in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate will be issued to the holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised.

### **(d) Delivery of new Certificates:**

Each new Certificate to be issued upon exchange of Exchangeable Bearer Notes, transfer of Registered Notes or partial redemption of, or partial exercise of an Issuer's or Noteholders' option in respect of, Registered Notes will be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice or (in the case of a partial redemption or an exercise of an Issuer's option) of the giving to the Noteholders of the notice required in connection with such partial redemption or exercise of such option. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery of such request for exchange, form of transfer or Exercise Notice shall have been made or (in the case of a partial redemption or an exercise of an Issuer's option) at the specified office of the Registrar or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange, form of transfer or Exercise Notice, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such request for exchange, form of transfer or Exercise Notice. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange, form of transfer or relevant Exercise Notice shall have been delivered or (in the case of a partial redemption or an exercise of an Issuer's option) in the place of the specified office of the Registrar.

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

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

### **(f) Closed periods:**

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 6(d) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.



### 3. Status

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured, direct, unconditional and general obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and with all other present and future unsecured obligations of the Issuer for money borrowed in application of decisions of the Council of the European Union, except for indebtedness (a) incurred for all or part of the purchase price of property purchased by the Issuer and (b) secured by a mortgage, lien, pledge or other charge on such property but otherwise ranking *pari passu* with the Notes.

### 4. Negative Pledge

So long as any of the Notes, Receipts or Coupons remain outstanding the Issuer will not create or permit to exist any mortgage, lien, charge or pledge upon its assets or revenues (present or future) to secure any Relevant Indebtedness or guarantee unless the Issuer takes any and all actions to ensure that all amounts payable under the Notes are secured by any mortgage, lien, charge or pledge equally and rateably with such Relevant Indebtedness.

Relevant Indebtedness means any obligation to pay monies (including the purchase price, repayment of the principal amount or the payment of interest) in connection with any bonds, notes or similar obligations which have been or may be created in application of decisions of the Council of the European Union by the Issuer either as sole obligor or as one of two or more obligors, including any guarantee, indemnity or similar assurance in respect of any such obligation.

### 5. Interest and Other Calculations

#### (a) *Interest Rate and Accrual:*

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 5 to the Relevant Date.

#### (b) *Business Day Convention:*

If any date referred to in these Conditions is specified to be subject to adjustment in accordance with the Floating Rate Convention and there is no numerically corresponding day in the calendar month in which such date occurs, such date shall be the last day which is a Relevant Business Day in that month.

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day; Provided that in each case, each subsequent such date shall be subject to adjustment in accordance with the relevant Business Day Convention without regard to whether any previous such date has been subject to adjustment, subject as provided in (i) above.

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

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

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:
  - (x) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date; Provided that, if, in the reasonable opinion of the Calculation Agent acting in good faith, such Page or Relevant Rate

has fallen into disuse (notwithstanding the fact that such Page continues to be available on, or such Relevant Rate continues to be quoted by, the relevant information service), as evidenced by the fact that such Page or Relevant Rate has not been updated on a regular basis, such regularity being determined by the Calculation Agent, taking into account the nature and type of such Page or Relevant Rate, then the Calculation Agent shall substitute the page or the relevant rate which, in its reasonable opinion and acting in good faith, is most relevant for use in connection with the calculation of floating-rate interest relating to comparable debt obligations having interest provisions substantially similar to those of Notes;

- (ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which five leading banks in the principal financial centre of the country of the Relevant Currency which, if the Relevant Currency is euro, can be the principal financial centre of any one of the Member States having adopted the euro (the "Principal Financial Centre") selected by the Calculation Agent are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than two of such banks are so quoting, in the Principal Financial Centre, except that, if fewer than two of the banks in the Principal Financial Centre so selected by the Calculation Agent are quoting as aforesaid, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

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

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(c)).

(e) *Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:*

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

(f) *Calculations:*

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

(g) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts:*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will determine the Interest Rate and calculate the amount of interest payable (the "Interest Amounts") in respect of each Denomination of the Notes for the relevant Interest Accrual Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination, in accordance with Condition 13. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agents shall (in the absence of manifest error) be final and binding upon all parties.

(h) *Definitions:*

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

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

- (i) if "Actual/Actual (ICMA)" is specified hereon:
  - (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 (I) the number of days in such Determination Period and (II) the number of Interest Determination Dates (as specified in the applicable Pricing Supplement) 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:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Determination Dates that would occur in one calendar year; and
- (ii) if "Actual/365" or "Actual/Actual (ISDA)" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iv) if "Actual/365 (Sterling)" is specified hereon, 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;
- (v) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (vi) if "30/360" "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that

includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vii) if "30E/360" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless the last day of that Calculation Period is the Maturity Date and falls on the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

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

"Interest Accrual Period" means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Period Date and each successive period beginning on, and including, an Interest Period Date and ending on, but excluding, the next succeeding Interest Period Date (unless otherwise specified hereon).

"Interest Commencement Date" means the date of issue of the Notes (the "Issue Date") or such other date as may be specified hereon.

"Interest Determination Date" means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such hereon or, if none is so specified, the first day of such Interest Accrual Period if the Specified Currency is Sterling or the day falling two Relevant Business Days prior to the first day of such Interest Accrual Period if the specified currency is not Sterling.

"Interest Period" means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date (unless otherwise specified hereon).

"Interest Period Date" means each Interest Payment Date (as may be adjusted in accordance with a specified Business Day Convention) unless otherwise specified hereon.

"Interest Rate" means the rate of interest payable from time to time in respect of this Note and which is either specified or calculated in accordance with the provisions hereon.

"Page" means such page, section, caption, column or other part of a particular information service as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Reference Banks" means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the Benchmark.

"Relevant Business Day" means:

- (i) in the case of euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and on which the TARGET2 System is operating credit or transfer instructions in respect of such payments; and/or
- (ii) in the case of a specified currency other than euro and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or each of the financial centres so specified.

"Relevant Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Relevant Date" means, in respect of any Note, Receipt or Coupon, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, London.

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

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre.

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

"Specified Duration" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b).

"TARGET2 System" means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET2) System.

(i) *Calculation Agent and Reference Banks:*

The Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate or Interest Accrual Period for any Interest Period or to calculate the Interest Amounts or comply with any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **6. Redemption, Purchase and Options**

(a) *Final Redemption:*

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or (e), each Note will be redeemed at its Redemption Amount (which, unless otherwise provided, is its principal amount) on the Maturity Date specified on each Note or, in the case of a Note falling within Condition 6(f), its Final Instalment Amount.

(b) *Purchases:*

The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(c) *Early Redemption of Zero Coupon Notes:*

- (i) The Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, the Redemption Amount of which is not linked to an index and/or a formula, upon such Note becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (iii) If the Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the Redemption Amount due and payable in respect of

such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(d).

*(d) Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:*

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period, redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption which may, if so specified hereon, be payable in instalments or otherwise.

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

If so provided hereon, the Issuer shall redeem a specified number of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption which may, if so specified hereon, be payable in instalments or otherwise. Notice of such redemption shall be irrevocably given to the Noteholders in accordance with Condition 13.

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) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6(d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

*(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If so provided hereon, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option which may be set out hereon the holder must deposit such Note (together with all unmatured Receipts, Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes) or the Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

*(f) Redemption by Instalments (Instalment Notes):*

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 6(d) or (e), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the Related Receipt, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

*(g) Cancellation:*

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7. Payments and Talons

### (a) *Bearer Notes:*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant 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), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; Provided that, in the case of euro, the transfer may be to, or the cheque drawn on, a euro bank account or such other bank account to which euro payments may be credited or transferred.

References in those Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it and (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it.

### (b) *Registered Notes:*

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid 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 before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 7(a) above, such payment of Interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency (provided, in the case of euro, as aforesaid in Condition 7(a)).

### (c) *Payments subject to law etc:*

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

### (d) *Appointment of Agents:*

The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents, the Calculation Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents, the Calculation Agent and the Consolidation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Calculation Agent or the Consolidation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agents where the Conditions so require, (v) a Consolidation Agent where the conditions so require and (vi) a Paying Agent having a specified office in a European city which, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange so require, shall be Luxembourg and such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

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

### (e) *Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of



each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the due date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) If the relative Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note which provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) *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 Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8).

(g) *Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment (for the purpose of this Condition 7(g), the "Following Business Day"). In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which:

- (i) banks and foreign exchange markets are open for business in:
  - (a) in the case of Notes in definitive form only, the relevant place of presentation;
  - (b) each Business Day Jurisdiction specified in the applicable Pricing Supplement; and;
- (ii) (in the case of a payment in euro) and on which the TARGET2 System is operating; or  
(in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried out in the relevant currency in the principal financial centre of the country of such currency.

## 8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the due date thereof.

## 9. Events of Default

The following shall each constitute an Event of Default:

- (a) Non-Payment: the Issuer shall default in any payment of principal or interest in respect of any of the Notes and such default shall not be cured by payment thereof within 30 days; or



- (b) Breach of Other Obligations: the Issuer shall default in the performance of any other covenant contained in the Notes and such default shall continue for a period of 90 days after written notice thereof shall have been given to the Issuer at the office of the Fiscal Agent by any Noteholder; or
- (c) Cross-Default:
  - (i) there is a declaration of default in any other loan indebtedness, exceeding the aggregate amount of EUR 50,000,000, of the Issuer as a result of the occurrence of an event of default as defined in any instrument governing or evidencing such indebtedness, or
  - (ii) any such other loan indebtedness, exceeding the aggregate amount of EUR 50,000,000 is not paid at its stated maturity and such default is not cured within 30 days, or
  - (iii) there is a declaration of default in the payment by the Issuer when due under any guarantee by it of loan indebtedness exceeding the aggregate amount of EUR 50,000,000.

If an Event of Default occurs and is continuing, the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may by giving written notice to the relevant Issuer at its specified office declare all the Notes to be immediately repayable (an "Acceleration Notice"), whereupon they shall become immediately due and payable together with accrued interest to the date of payment unless such Event of Default shall have been remedied prior (except in the case of (b) above) to the receipt of such notice by the relevant Issuer.

If the relevant Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to the above mentioned Acceleration Notice is or are cured following any such Acceleration Notice and that such holders request the relevant Issuer to rescind the relevant Acceleration Notice, the relevant Issuer or Fiscal Agent shall, by notice in writing to the Noteholders (with a copy to the Fiscal Agent), rescind the relevant Acceleration Notice whereupon it shall be rescinded and shall have no further effect. Such rescission will be conclusive and binding on all Noteholders, Receiptholders and Couponholders, but no such rescission shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

## **10. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Paying Agent in Luxembourg (in the case of the Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **11. Meetings of Noteholders and Modifications**

### **(a) General**

The provisions relating to modifications and for convening meetings of Noteholders as set out in Schedule 9 to the Agency Agreement shall apply to the Notes.

For the purposes of Condition 9 and of this Condition 11, a Note will be deemed to be not "Outstanding" as set out in Schedule 9 to the Agency Agreement and where the Note is held by the Issuer, by a department or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department or agency of the Issuer and, in the case of a Note held by any such above-mentioned corporation, trust or other legal entity, the Holder of the Note does not have autonomy of decision, where:

- (i) the Holder of a Note for these purposes is the entity legally entitled to vote the Note for or against a proposal and/or proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled Holder to vote the Note for or against a proposal and/or proposed modification; and
- (ii) a corporation, trust or other legal entity is controlled by the Issuer or by a department or agency of the Issuer if the Issuer or any department or agency of the Issuer has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and

- (iii) the Holder of a Note has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the Holder may have in relation to the Issuer: (i) the Holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposal and/or proposed modification; or (ii) the Holder, in determining how to vote on a proposal and/or proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the Holder's own interest; or (iii) the Holder owes a fiduciary or similar duty to vote on a proposal and/or proposed modification in the interest of one or more persons other than a person whose holdings of Notes (if that person then held any Notes) would be deemed to be not Outstanding under this definition.

The following paragraphs constitute a summary of the relevant provisions of the Agency Agreement and shall be subject to the provisions set out therein as amended by the foregoing paragraphs in this Condition 11(a).

**(b) *Convening a meeting of Noteholders***

A meeting of Noteholders:

- (i) may be convened by the relevant Issuer or the Fiscal Agent at any time; and
- (ii) will be convened by the relevant Issuer if an event of default in relation to the Notes has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10 per cent. of the aggregate principal amount of the Notes then outstanding.

**(c) *Quorum***

- (i) The quorum at any meeting of Noteholders convened to vote on a proposal in relation to, or a proposed modification of:
  - (A) a Reserved Matter will be one or more persons present and holding or representing at least 66 2/3 per cent. of the aggregate principal amount of the outstanding Notes; and
  - (B) a matter other than a Reserved Matter will be one or more persons present and holding or representing at least 50 per cent. of the aggregate principal amount of the outstanding Notes.
- (ii) where a meeting is adjourned and rescheduled owing to a lack of quorum, at any rescheduled meeting of Noteholders, one or more persons present and holding or representing:
  - (A) at least 66 2/3 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter modification or a proposal relating to a Reserved Matter; and
  - (B) at least 25 per cent. of the aggregate principal amount of the outstanding Notes in the case of a non-Reserved Matter modification or a proposal relating to a non-Reserved Matter.

**(d) *Non-Reserved Matters Modification***

Save as otherwise provided in the Agency Agreement, any modification in relation to, or proposal relating to, any matter other than a Reserved Matter affecting the terms and conditions of the Notes and/or any agreement governing the issuance or administration of the Notes may only be approved, with the consent of the relevant Issuer and:

- (i) the affirmative vote of a holder or holders of more than 50 per cent. of the aggregate nominal amount of the outstanding Notes represented at a duly called and quorate meeting of holders; or
- (ii) a written resolution signed by or on behalf of a holder or holders of more than 50 per cent. of the aggregate nominal amount of the outstanding Notes.

**(e) *Reserved Matters Modification***

Except as provided by Condition 11(f) below, any modification in relation to, or proposal relating to, a Reserved Matter affecting the terms and conditions of the Notes and/or any agreement governing the issuance or administration of the Notes may only be approved, with the consent of the Issuer and:

- (i) the affirmative vote of a holder or holders of not less than 75 per cent. of the aggregate nominal amount of the Notes then Outstanding represented at a duly called and quorate meeting of holders; or
- (ii) a written resolution signed by or on behalf of a holder or holders of not less than 66 2/3 per cent. of the aggregate nominal amount of the Notes then Outstanding.

**(f) *Cross-Series Modifications and Cross-Series Proposals***

In the case of a Cross-Series Modification and/or Cross-Series Proposal, any modification in relation to, or proposal relating to, a Reserved Matter, the terms and conditions of the Notes and any other series of debt

securities (as defined in the Agency Agreement but subject to the provisions of Condition 11(a)), and any agreement governing the issuance or administration of the Notes or debt securities of such other series may only be approved, with the consent of the relevant Issuer and:

- (a)(i) the affirmative vote of not less than 75 per cent. of the aggregate nominal amount of the outstanding debt securities represented at separate duly called and quorate meetings of the holders of the debt securities of all the series (taken in the aggregate) that would be affected by the proposal and/or proposed modification; or
- (a)(ii) written resolutions signed by or on behalf of the holders of not less than 66 2/3 per cent. of the aggregate nominal amount of the outstanding debt securities of all the series (taken in the aggregate) that would be affected by the proposal and/or proposed modification;

and

- (b)(i) the affirmative vote of more than 66 2/3 per cent. of the aggregate nominal amount of the outstanding debt securities represented at separate duly called and quorate meetings of the holders of each series of debt securities (taken individually) that would be affected by the proposal and/or proposed modification; or
- (b)(ii) written resolutions signed by or on behalf of the holders of more than 50 per cent. of the aggregate nominal amount of the then outstanding debt securities of each series (taken individually) that would be affected by the proposal and/or proposed modification.

For the purposes of this Condition 11(f):

- (a) "debt security" means any bill, bond, debenture, note or other debt security issued by the relevant Issuer in one or more series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a debt security;
- (b) "Cross-Series Modification" means a modification involving (i) the Notes or any agreement governing the issuance or administration of the Notes, and (ii) one or more other series of debt securities or any agreement governing the issuance or administration of such other series of debt securities;
- (c) "Cross-Series Proposal" means a proposal or matter for consideration affecting or concerning (i) the Notes or any agreement governing the issuance or administration of the Notes, and (ii) one or more other series of debt securities or any agreement governing the issuance or administration of such other series of debt securities; and
- (d) "series" means a tranche of debt securities, together with any further tranche or tranches of debt securities that in relation to each other and to the original tranche of debt securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series,

*provided that* the definitions set out immediately above shall be subject to and construed in accordance with Condition 11(a).

**(g) Written Resolutions**

A written resolution signed by or on behalf of holders of the requisite majority of the Notes will be valid for all purposes as if it was a resolution passed at a quorate meeting of holders duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in like form each signed by or on behalf of one or more holders.

**(h) Binding Effect**

A resolution duly passed at a quorate meeting of holders duly convened and held in accordance with the provisions of the Agency Agreement, and a written resolution duly signed by the requisite majority of holders, will be binding on all holders, whether or not the holder was present or represented at the meeting, voted for or against the resolution or signed the written resolution.

**(i) Manifest error, technical amendments**

Notwithstanding anything to the contrary herein, the Notes, these Conditions and the provisions of the Agency Agreement may be amended without the consent of the Noteholders or the Couponholders:

- (i) to correct a manifest error or cure an ambiguity;
- (ii) if the modification is of a formal or technical nature or for the benefit of the Noteholders.

In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the relevant Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or for the benefit of the Noteholders. The relevant Issuer will publish the details of any

modification of the Notes made pursuant to this paragraph (i) within ten days of the modification becoming legally effective and in accordance with Condition 13.

## **12. Further Issues and Consolidation**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (except for the first payment of interest on them) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

The Issuer may also from time to time without the consent of the holders of the Notes, Certificates or Coupons of any Series by giving at least 30 days' notice in accordance with Condition 13, consolidate the Notes with the notes of one or more other Series issued by it provided that, in respect of all periods subsequent to such consolidation, the notes of all such other Series are denominated in the same currency as such Notes (irrespective of the currency in which any notes of such other Series were originally issued) and otherwise have the same terms and conditions as such Notes.

With effect from their consolidation, the Notes and the notes of such other Series will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either such Notes or the notes of such other Series were listed immediately prior to consolidation.

The Issuer shall, in dealing with the holders of such Notes following a consolidation pursuant to this Condition 12, have regard to the interests of the Noteholders and the holders of the notes of such other Series, taken together as a class, and shall treat them alike.

## **13. Notices**

Notices to the holders of Registered Notes (i) will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and (ii) in addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, will be published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or the Luxembourg's Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Luxembourg Stock Exchange, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or the Luxembourg's Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

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

## **14. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **15. Governing Law and Jurisdiction**

### **(a) Governing Law:**

The Notes, the Certificates, the Receipts, the Coupons, the Talons and the Agency Agreement (and any non-contractual obligations arising out of or in connection with such agreements) are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction:*

All disputes arising in connection with the validity, interpretation, or performance of obligations under any Note, Certificate, Receipt, coupon and/or Talon issued by the EU (including any dispute relating to any non-contractual obligations arising out of or in connection with such agreements) shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union, in line with Article 272 of the Treaty on the Functioning of the European Union (hereinafter referred to as "TFEU").

In accordance with Article 106a of the Treaty establishing the European Atomic Energy Community, as amended, (hereinafter referred to as "Euratom Treaty"), all disputes arising in connection with the validity, interpretation, or performance of obligations under any Note, Certificate, Receipt, coupon and/or Talon issued by Euratom (including any dispute relating to any non-contractual obligations arising out of or in connection with such agreements) shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union, in line with Article 272 of the TFEU.